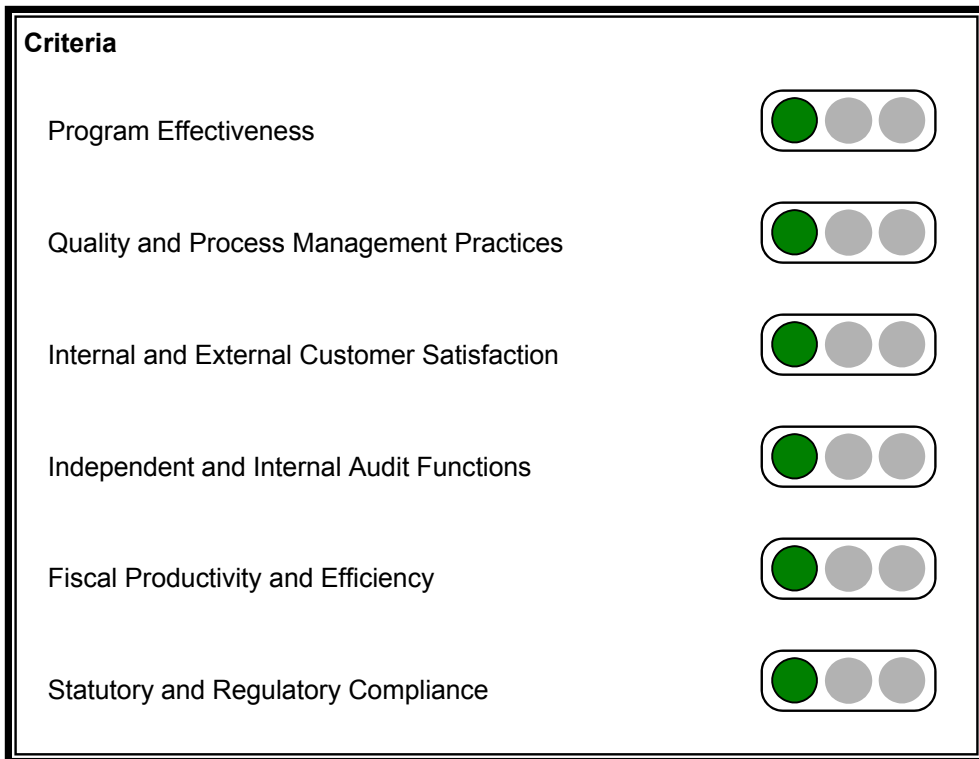


Agency Scorecard

Accountancy, State Board of (ACB)

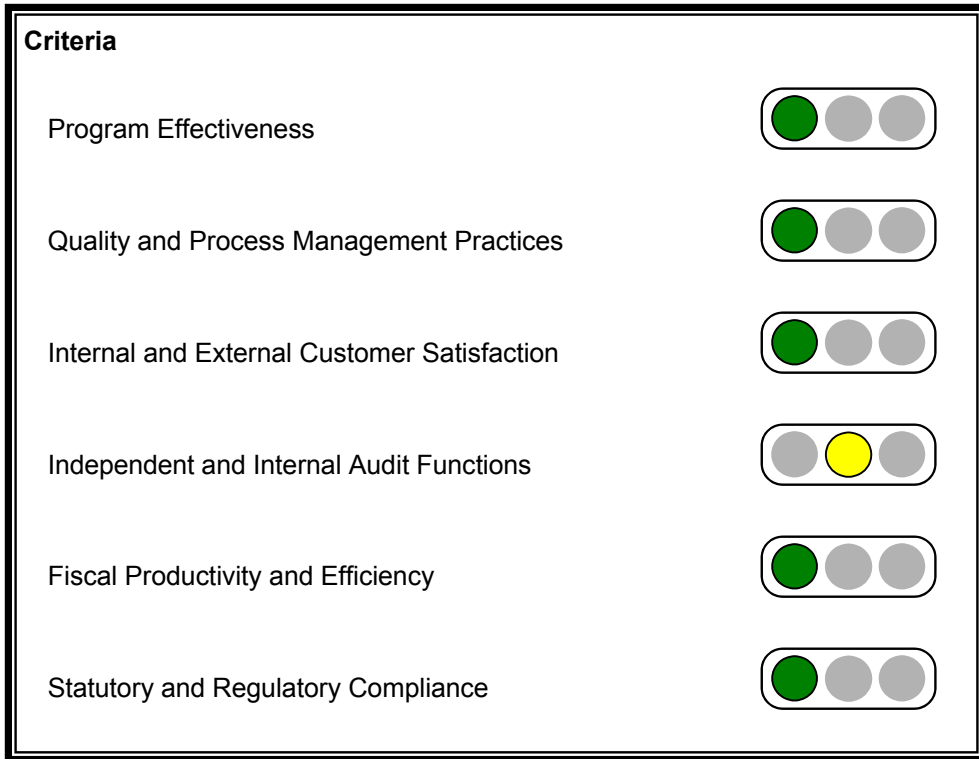


Observations:

- The ACB Internal Control Officer conducts an annual internal control review using a comprehensive control questionnaire modified from one developed by the Department of Social and Health Services. This review is a potential better practice transferable to other smaller agencies.
- In response to customer input, the ACB removed their automated phone answering system so that a live staff person will answer the phones virtually 100% of the time.
- The ACB engaged a private contractor to review mission critical agency functions and recommended Information Technology security standards.
- The April 2002 Governing for Results publication recognized ACB for decreasing CPA application processing time without increasing staff.

Agency Scorecard

Administrative Hearings, Office of (OAH)

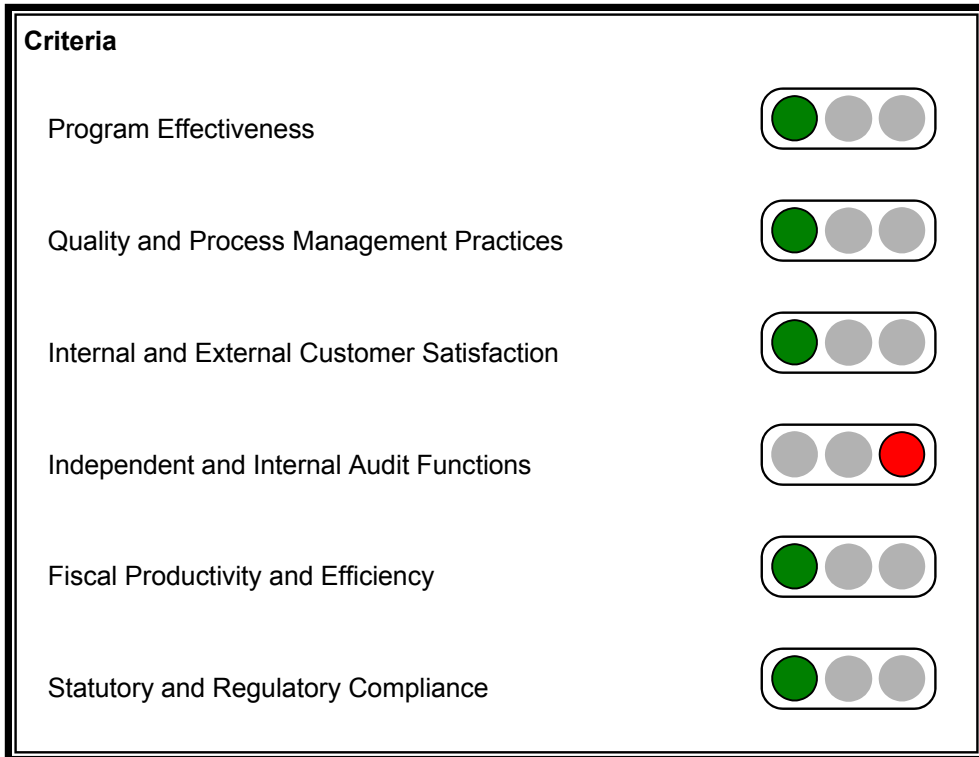


Observations:

- Regarding improving program effectiveness, external survey results are brought before the OAH's Quality Steering Committee for discussion. The OAH also distributes the external survey response narrative relating to the performance of each Administrative Law Judge to their respective supervisor for review and assessment. Further, the OAH uses other data gleaned from the external survey to assess customer service, hearing timeliness and convenience, etc.
- Rather than pay the cost of postage for individual items or documents, the OAH staff in Yakima arranged for a local messenger service to deliver these documents each day to various governmental agencies and law firms in the Yakima area.
- Each quarter the OAH selects a sample of 20 completed cases and ALJs review each case according to the quality standards set forth by the U.S. Department of Labor (USDOL). The ALJs score these cases to the USDOL's criteria. Further, the USDOL selects a sample from the 20 cases reviewed by the OAH to verify quality. The OAH performs a similar internal review for 20 completed cases that do not fall under the USDOL standards.

Agency Scorecard

Agriculture, Department of (AGR)

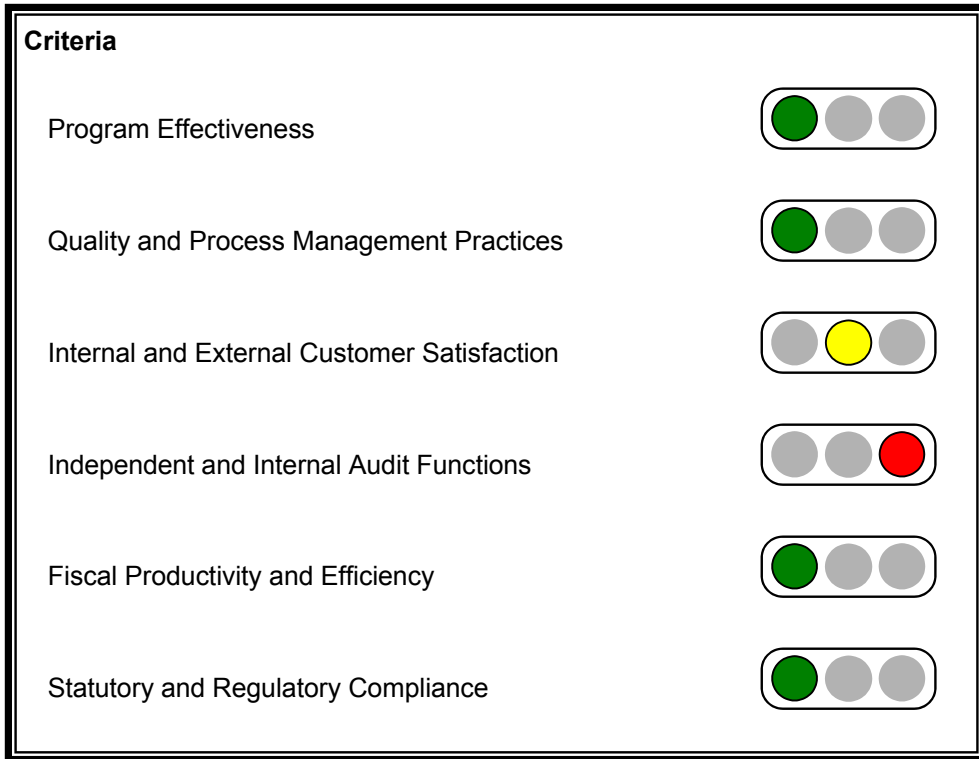


Observations:

- In addition to agency-wide strategic plan, Department sub-programs also have developed strategic plans containing specific tasks/milestones, accountable business units, performance measures and provisions for regular status reporting. Program Directors are required to submit monthly reports to the Director indicating progress toward established goals.
- The Department developed a Certificate of Compliance Project allowing shippers to download shipping permits via the Internet reducing staff data entry time, errors, and omissions. Customers now have on-line access to company data maintained by the Department and can use it to analyze production and generate reports.
- The Department engaged assistance from faculty at Western Washington University to assist with focus group moderation and analysis for determining customer feedback regarding a key Department service.
- The Department has implemented an employee council where employees are selected at random to meet for a day and a half to have a dialogue about the topics and issues of concern to them. This council reports to executive management with their findings.
- The Department does not currently have an internal control officer and has not performed its annual risk assessment.

Agency Scorecard

Arts Commission, Washington State (ART)

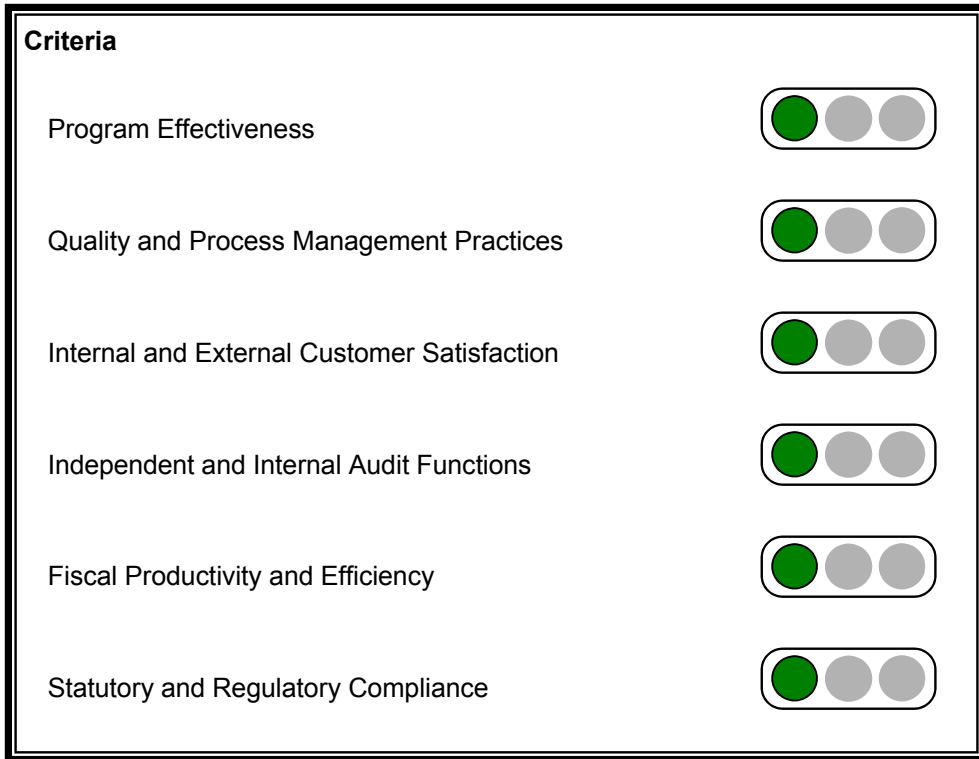


Observations:

- The Commission's Strategic Plan contains performance goal/metrics and deadlines for completion (i.e. increase dollar amount of folk arts apprenticeship award to \$3000 by June 2003).
- The Commission received a competitive private grant for \$500,000 from Wallace Readers Digest (26 states applied, 15 selected).
- Grant recipients are required to complete a standardized report describing the use of their allotted funds. The Commission is able to receive some customer feedback from this process, but does not conduct extensive customer survey methodologies.
- Due to limited resources, the Commission does not have a designated internal control officer and has not performed an agency risk assessment.
- The Commission has implemented on-line grant applications via the agency website in order to streamline the application process.

Agency Scorecard

Attorney General, Office of the (AGO)

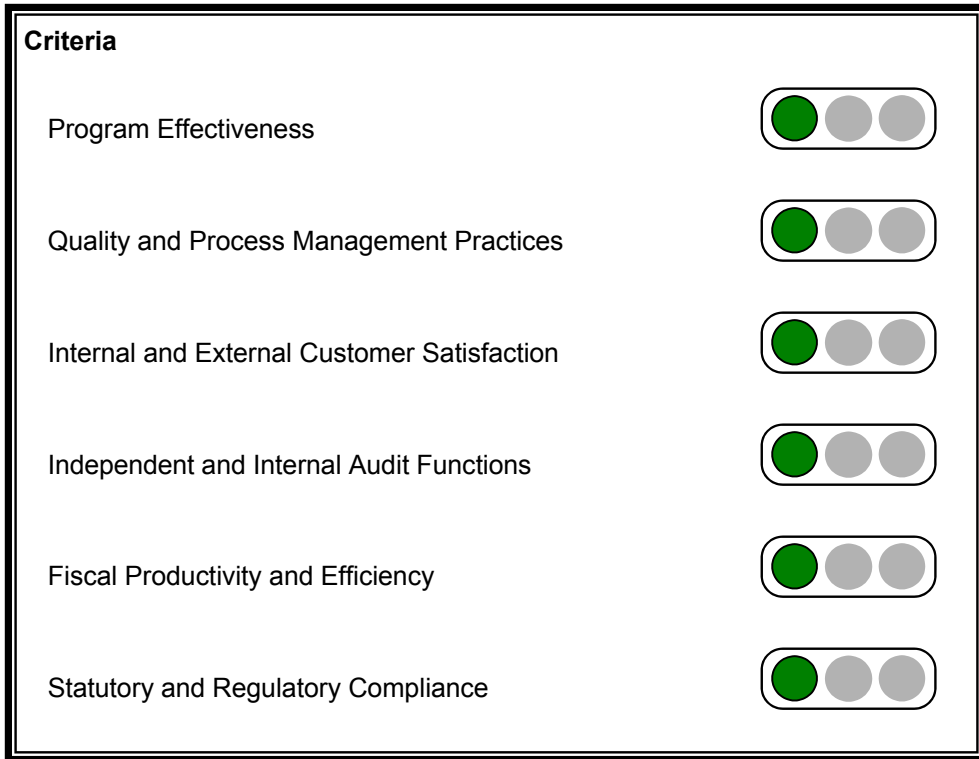


Observations:

- The AGO has one employee who is responsible for new initiatives and Quality Assurance. The most recent initiative was a large undertaking to examine issues surrounding the availability of Legal Support Clerks. They conducted a study of the job market and found that the community colleges were discontinuing their legal support programs. They held small focus groups to solicit ideas about how to better structure legal support.
- The AGO commissioned a study on their use of document storage solutions, resulting in an estimated savings of \$175,000.
- Although the AGO does not appoint a specific internal controls officer, their Budget and Fiscal officers perform those functions as a group. One of their attorneys uses a questionnaire to assess risks and report on each division of the AGO annually. In addition, the Safety and Security workgroup produces an annual assessment of their safety procedures.

Agency Scorecard

Auditor, Office of the State (SAO)

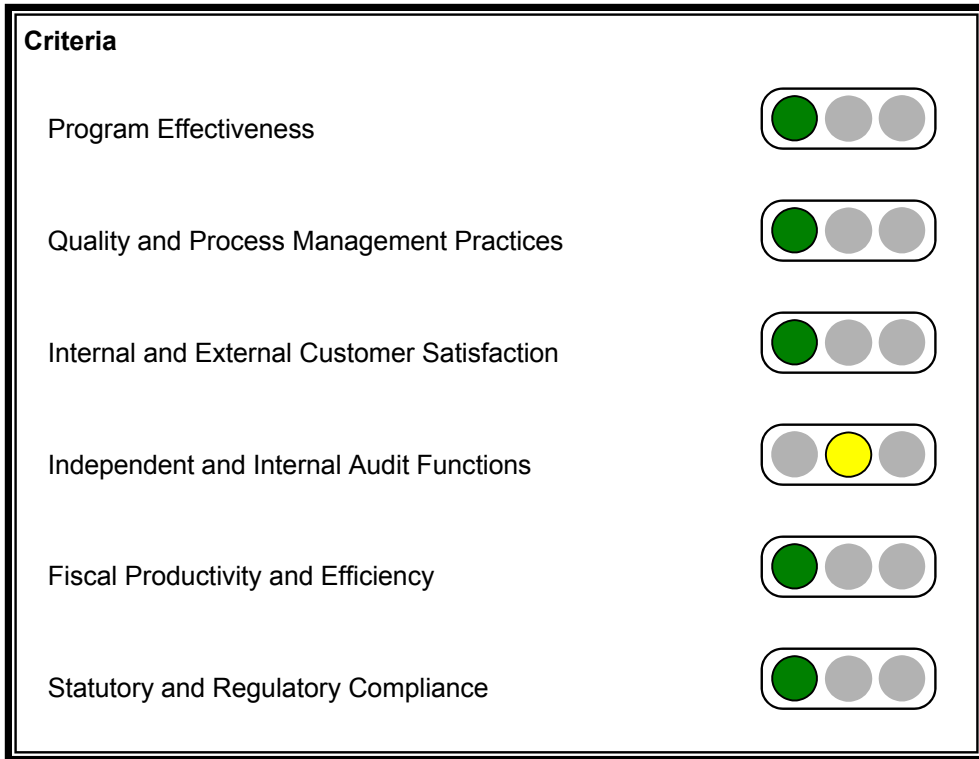


Observations:

- The SAO participates in the state's two employee involvement programs—the Employee Suggestion or Brainstorm Program and the Teamwork Incentive Program. These programs encourage state employees to create, innovate and apply their good ideas to improve service to the public. Both programs offer cash incentives to state employees who suggest workable methods to reduce costs and improve government operations. Under both programs, suggestions and projects undergo rigorous independent review, including objective validation of hard dollar savings and/or intangible benefits for which savings cannot be quantified.
- The SAO uses customer satisfaction surveys, focus groups and advisory committees to determine the needs of its internal and external customers.

Agency Scorecard

Blind, Department of Services for the (DSB)

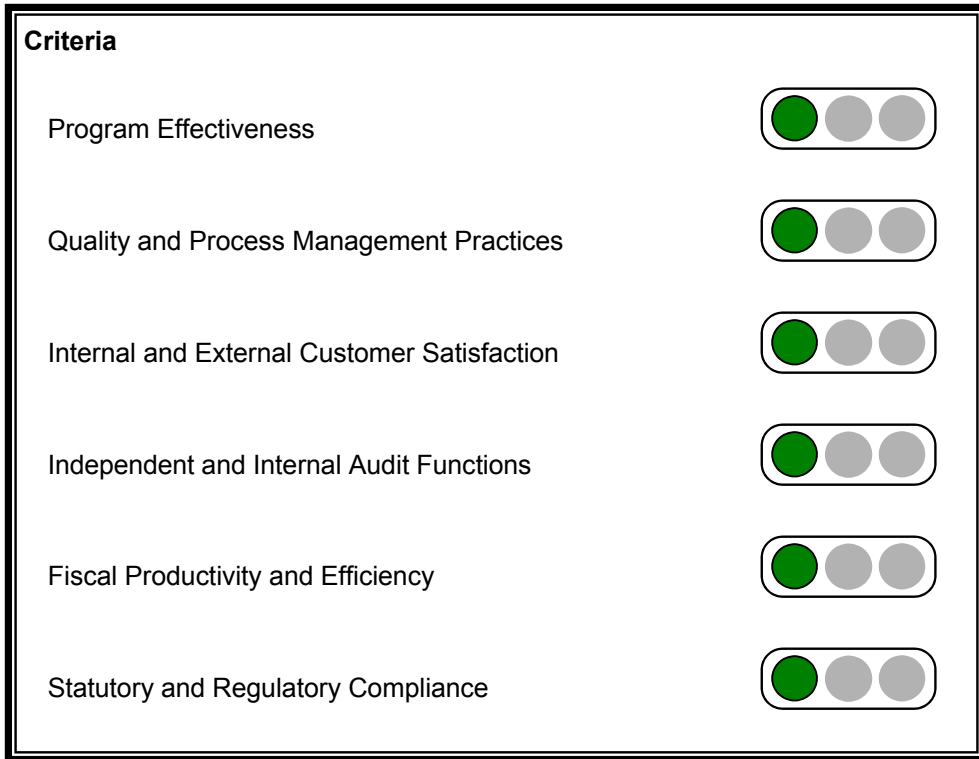


Observations:

- DSB implemented a formal action plan structure for major strategic plan initiatives. This structure, details project/initiative goals and their relevancy to agency objectives, includes project performance measures and targets, assigns accountable staff, and indicates required funding and technology resources needed for project completion.
- DSB drafted an Information Technology Portfolio as a tool for making decisions regarding the agency's investment in computers, software, network enhancements, etc. The portfolio focuses on the relationship between agency plans, programs goals, and IT investments. The plan also includes a prioritization of agency IT needs in order to best focus spending efforts on IT related projects.
- DSB also drafted a Disaster Recovery Plan indicating the operational, legal, and financial risks associated with agency computer systems. The plan includes an internal control structure for managing these risks.
- Although the Department completed a risk assessment and internal control reviews over several fiscal processes, they have not appointed a dedicated internal controls officer.

Agency Scorecard

Blind, Washington State School for the (SFB)

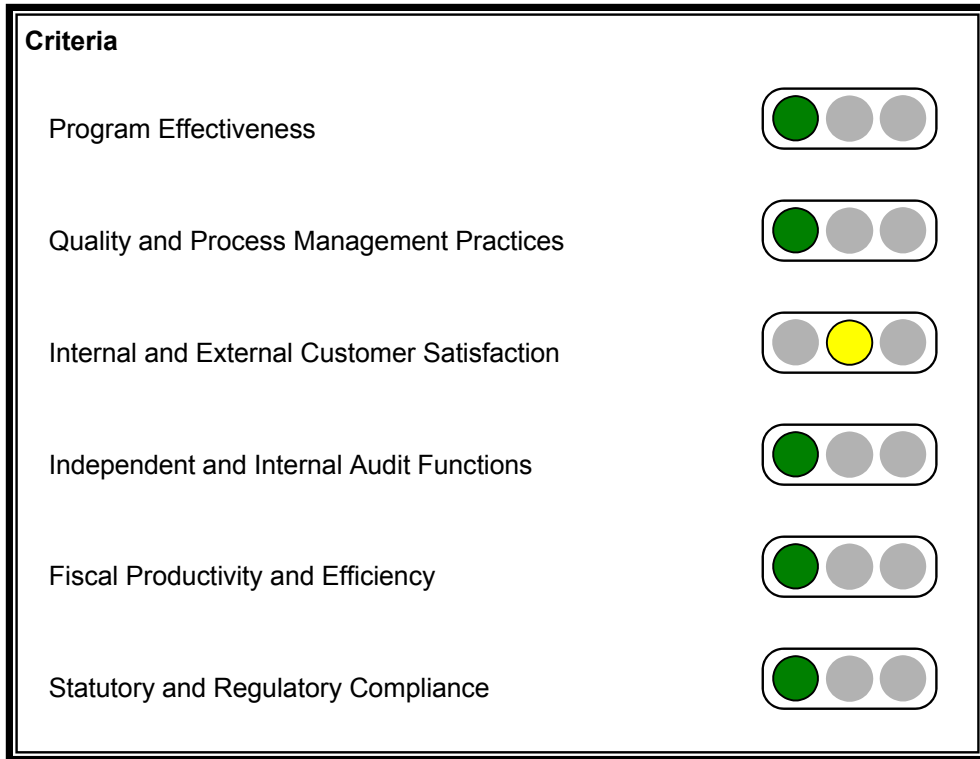


Observations:

- In addition to providing a Quarterly Status Report to the Governor's Office and the Office of Financial Management (OFM), the School also uses a comprehensive balanced scorecard to further track the organization's performance.
- The School entered into an agreement with the State's Public Printer and Department of Corrections (DOC) to train inmates to produce books in Braille at a fraction of the cost to buy it in the private sector.
- The School partnered with the states of Wyoming, Montana, and Idaho) to obtain a \$1.5 million dollar grant that provides teachers for the blind in the Northwestern region of the United States. The School provides the training at its facilities to all of teachers under this grant.

Agency Scorecard

Caseload Forecast Council, (CCC)

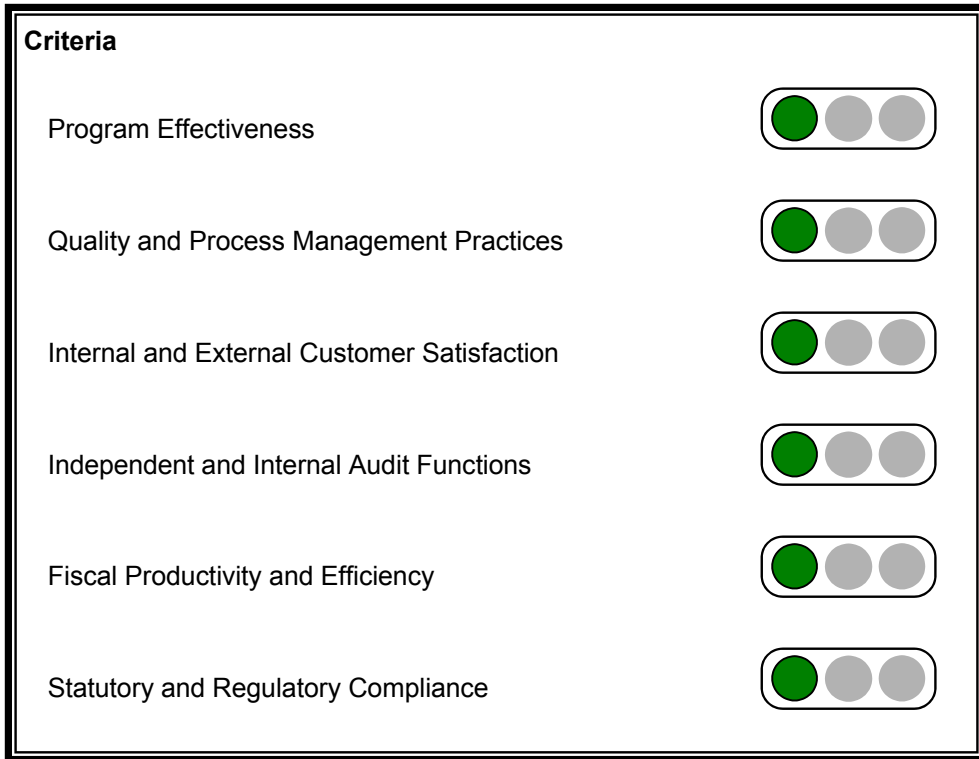


Observations:

- One of the Caseload Forecast Council's members was selected to receive a travel grant to attend the International Symposium on Forecasting in Dublin, Ireland in July, 2002. While there, she made a presentation on Institutional Change, the Internet, and Medicaid Forecasting in Washington State.
- Due to the small size of the Council and the specialized nature of their work, the staff does not conduct formal customer surveys. They indicated that since they work closely with their customers, they are able to receive feedback on a regular basis.
- The Council teamed up with OFM's small agency client services and a management-consulting firm to conduct a detailed risk assessment of their organization during April, 2001.

Agency Scorecard

Central Washington University (CWU)

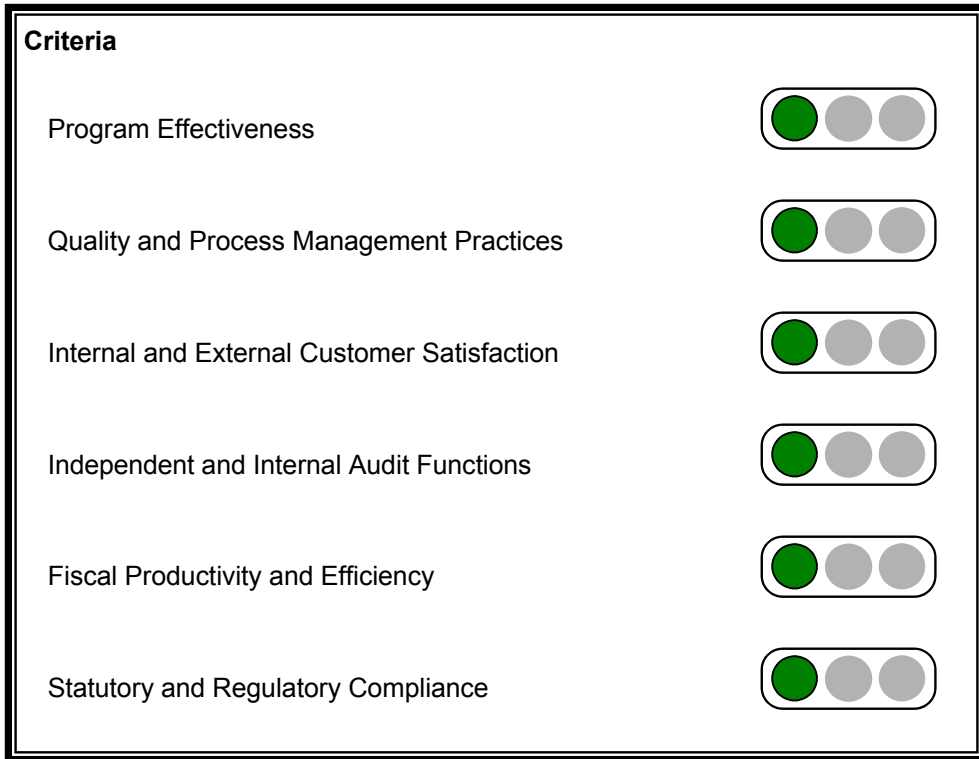


Observations:

- The CWU engaged a communications firm to determine the CWU's awareness and perceptions among college-bound high school students living in Washington. This study led to an enrollment re-growth and stabilization plan designed to increase student enrollment at the CWU.
- The CWU engaged a marketing/communications firm to develop an integrated marketing and branding plan designed to enhance visibility and knowledge of the CWU programs in the northeast.
- The CWU Office of Institutional Research produces a newsletter containing results of graduate and undergraduate student surveys. These newsletters regularly address Legislative and Higher Education Coordinating Board issues/questions through constant re-development of CWU's graduating senior survey methodology.
- The CWU Office of Grants and Sponsored Research is on pace to receive \$4.5 million in federal research grants. This projected amount represents the highest grant award total in five years.

Agency Scorecard

Community, Trade, and Economic Development, Department of (CTED)



Observations:

- In an effort to reduce costs, CTED utilized the Electronic Fund Transfer (EFT) process managed by OFM. The CTED sent out a mass mailing to their contractors and grantees providing them information about the EFT process and the required forms needed to subscribe for EFT. CTED recorded that customers made 523 EFT payments in one month (26% of their total payments).
- In an effort to better manage numerous legislative issues affecting CTED, agency staff developed an automated system to track legislation and legislative actions. This application provides a 'message board' for users to share information about various bills as well as enhanced search and bookmark functions. This system is also automatically updated with the latest status reports from the Legislative Service Center.
- The CTED currently conducts a customer service survey for participants in its early childhood education program. The survey measures elements such as service importance, customer expectations, and responses to current funding challenges. CTED uses the survey to prioritize service enhancements and to improve services most important to customer satisfaction.

Agency Scorecard

Corrections, Washington State Department of (DOC)

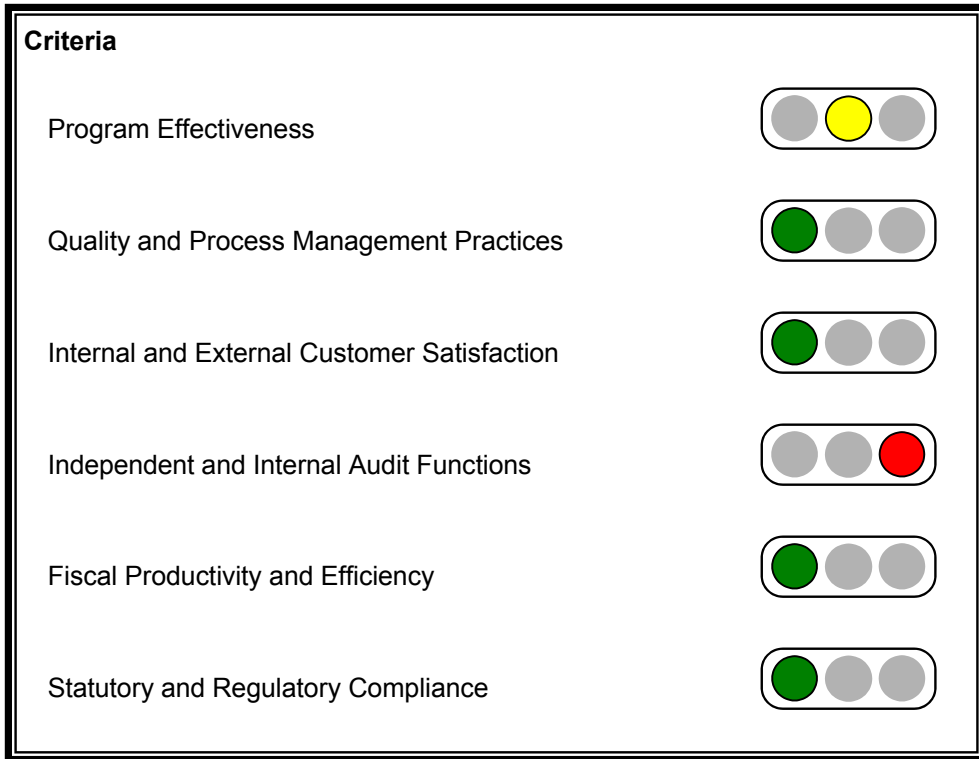


Observations:

- The DOC's staff worked to develop a strategic approach to managing offenders in accordance with recently passed legislation. Through a Strategic Planning Oversight Team, (SPOT), the DOC's strategic plan was developed using the balanced scorecard approach to establish the following five goals that launch the DOC's strategic direction for 2001-2007:
 - *Risk Focus*
 - *Targeted Intervention*
 - *Accountability of Offender*
 - *Community-Oriented Offender Management*
 - *Organizational Accountability*
- "DOC Watch" is the DOC's official process for assessing performance measures and identifying best practices. The process requires managers to address five questions relating to a specific performance measure. The DOC uses these reports as tools for assessing whether or not the organization is achieving its performance goals and targets.
- The DOC takes steps to ensure that survey results/recommendations are implemented to the best of the organization's ability. In fact, as noted in the 2001 Quality Annual Report, 47 process improvements have resulted from the efforts of 365 staff and 16 stakeholder agencies. Many of the process improvements resulted from the Quality Improvement Idea Survey.
- The DOC indicated that there is not a particular individual that serves as the internal control officer. Internal control requirements are a part of each business manager's function, as far as financial controls. The DOC has requested funding for an internal audit position in the fiscal year 2003-05 budget submittal to the Governor.
- The State Auditor's Office cited the DOC for the same finding in its 1998, 1999 (#6081), and 2000 (#6234) audit reports: 1) The Department of Corrections did not comply with state laws and regulations requiring control over fixed assets. Each of the SAO's reports indicated timely follow-up on the noted findings.

Agency Scorecard

County Road Administration Board (CRAB)

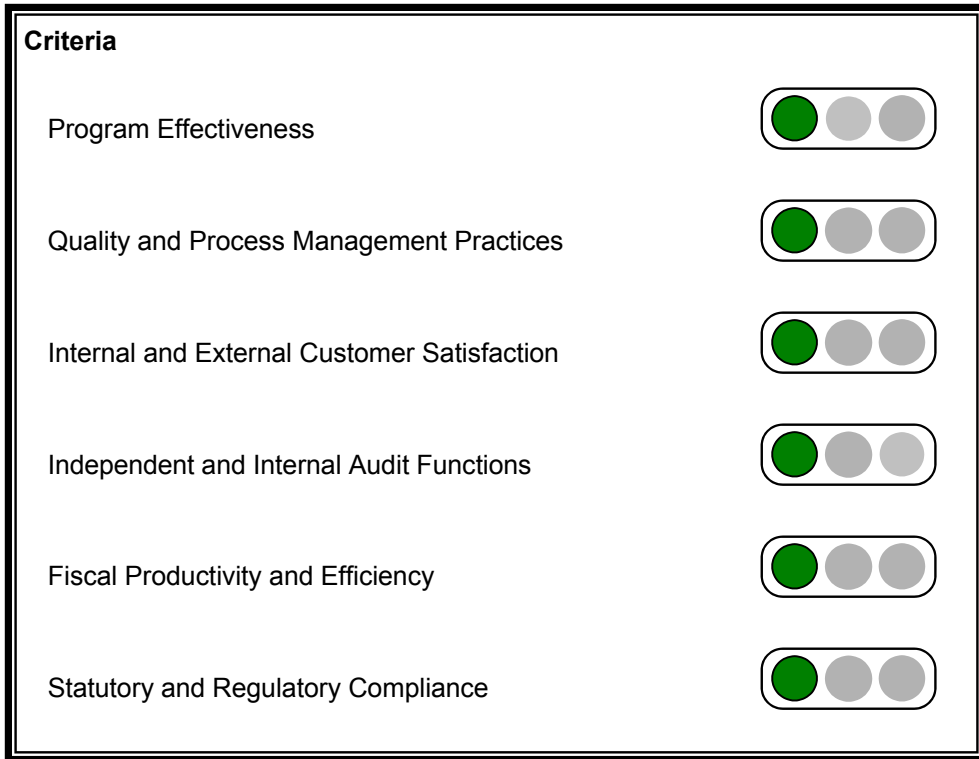


Observations:

- While goals and objectives are clearly specified, some items listed as objectives do not have a performance targets. For example, one performance objective, “promote cooperative communication, information exchange, and Information Technology uniformity through conferences, workshops, and website activates” does not have a measurable target by which to gauge success.
- The CRAB obtained the services of an Organization Development faculty member from Washington State University to survey and determine customer attitudes toward the CRAB.
- To address customer feedback, the CRAB has drafted an Information Technology Strategy Replacement Plan, containing specific goals and an action plan, to convert their Mobility system into an format usable by the counties. The Mobility Development group is scheduled to visit every county, conduct a local presentation, and assist with converting county data to the new system by the end of 2002.
- The CRAB has not appointed an internal control officer and has not completed a risk assessment and internal audit program.

Agency Scorecard

Deaf, Washington State School for the (SFD)

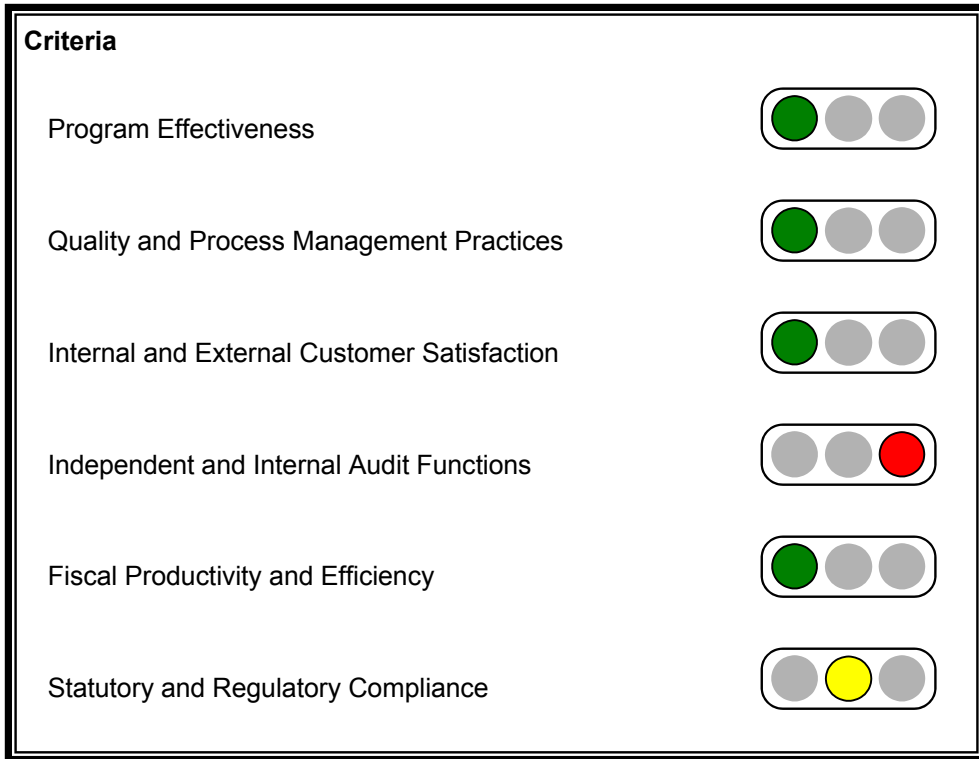


Observations:

- The SFD uses the strategic plan as a guide to develop its performance measures. They focus on the outreach, education and technology. They review their data on a quarterly basis.
- The SFD defines their customers as the students and their parents. The school has conducted surveys on various topics with parents and students. For the last two years, they've requested parents to fill out a survey on registration day.
- During the last year, they've been marketing their outreach services to various districts. They generated \$15,000 in contracts with school districts for such services. They've also received a \$5,000 grant from the Bill and Melinda Gates Foundation.

Agency Scorecard

Ecology, Department of (ECY)

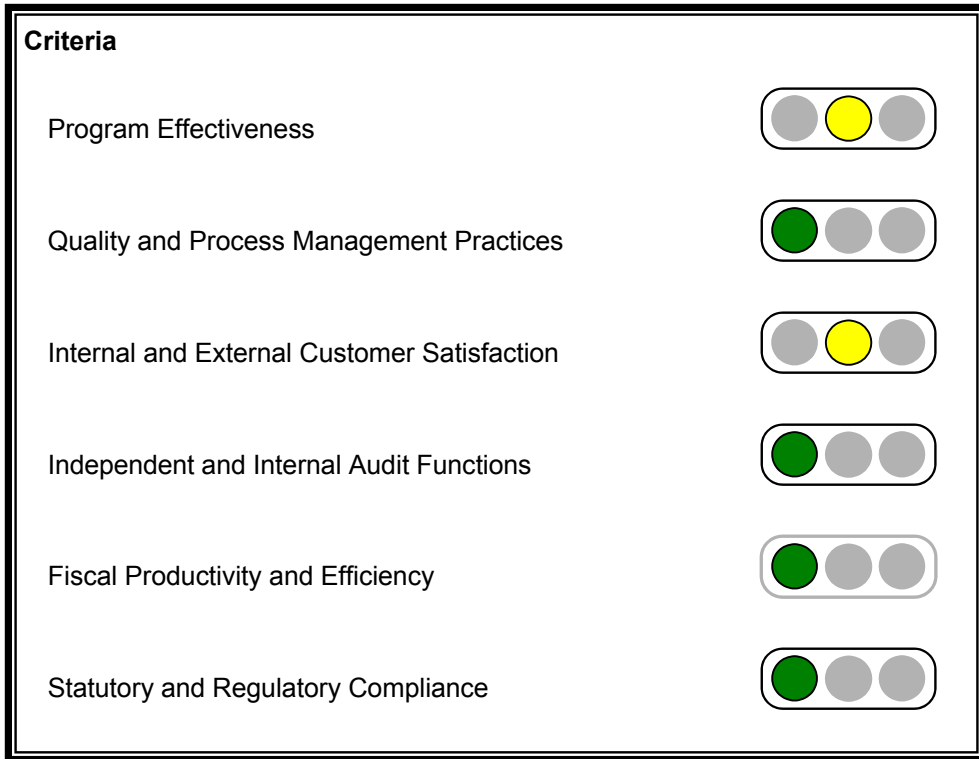


Observations:

- Each program within the DOE develops its own measures that are aligned with Program Mission and the Department Mission.
- The DOE produced a compliance matrix listing RCW references/statute descriptions and linking references to statutory goals and corresponding performance metrics. This format provides a clear link between the Department's statutory mandates, mission, vision, goals, objectives, and measurable outcomes.
- In order to improve the timeliness of its Water Act certification review process, the DOE is using process mapping techniques and has established project performance goals in order to improve effectiveness.
- The Department received findings from the State Auditor's Office in a recent audit report but they provided evidence of having addressed them in a timely manner.
- The DOE does not have an internal control officer and has not performed an annual agency-wide risk assessment. However, the agency provided a description of current internal control processes designed to reduce risk.

Agency Scorecard

Economic and Revenue Forecast Council (ERFC)

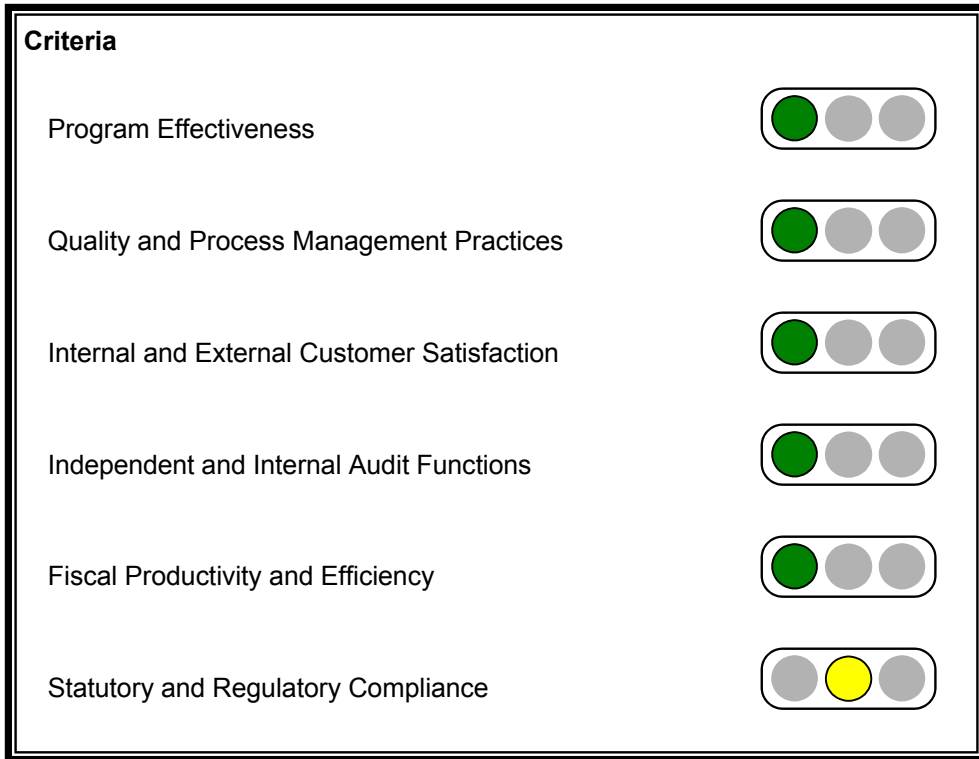


Observations:

- The OFC does not have written evidence of acting upon performance measurement system results. However, the OFC indicates that it does identify when they are not within their established measurement standards (+/- 2.5 percent from actual economic and revenue forecasts) and discuss how to do better next forecast.
- The OFC ceased printing its quarterly publications in order to reduce government spending. The OFC now provides the same information to our customers via the Internet, or on compact disc at considerable less costs than printing.
- In 1999, the OFC conducted its first customer survey of legislators and intends on performing this activity every five years. This survey assesses satisfaction with the OFC's products and services. However, while the OFC indicated it had not implemented all of the recommendations provided in the 1999 legislator survey, the OFC noted that the information was still pertinent because most of the customers were still in office.

Agency Scorecard

Employment Security, Department of (ES)

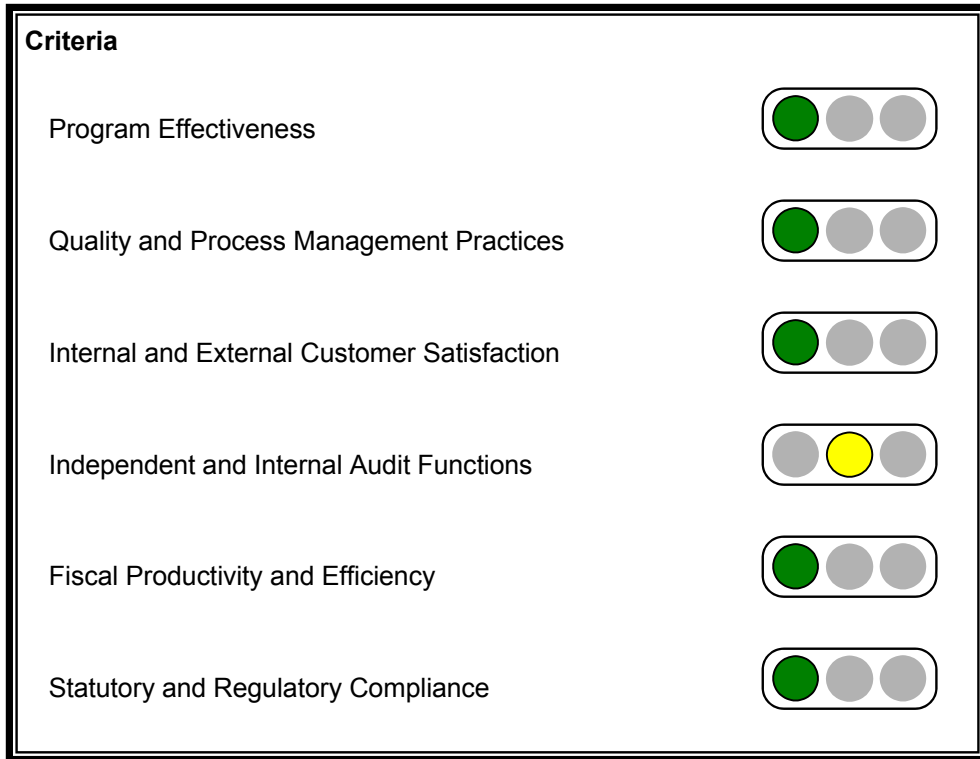


Observations:

- The Department regularly surveys its key internal/external customers including job seekers, potential employers, and the Department's internal employees. The Commissioner also created an outreach committee to focus on the Department's business outreach efforts.
- The Department established a quality improvement team to review WorkFirst Program transactions. The team mapped and analyzed key processes and recommended changes to ensure statewide processes operated in a consistent manner with strengthened controls. The team also developed training materials and the Department ensured staff with WorkFirst Program responsibility were properly trained.
- The Department has received supplemental revenue by offering its services to workforce development councils. The Department secured these contracts in a competitive environment.
- Although the Department received an audit finding from the State Auditor's Office in 2000, they provided evidence of timely follow-up.

Agency Scorecard

Environmental Hearings Office (EHO)

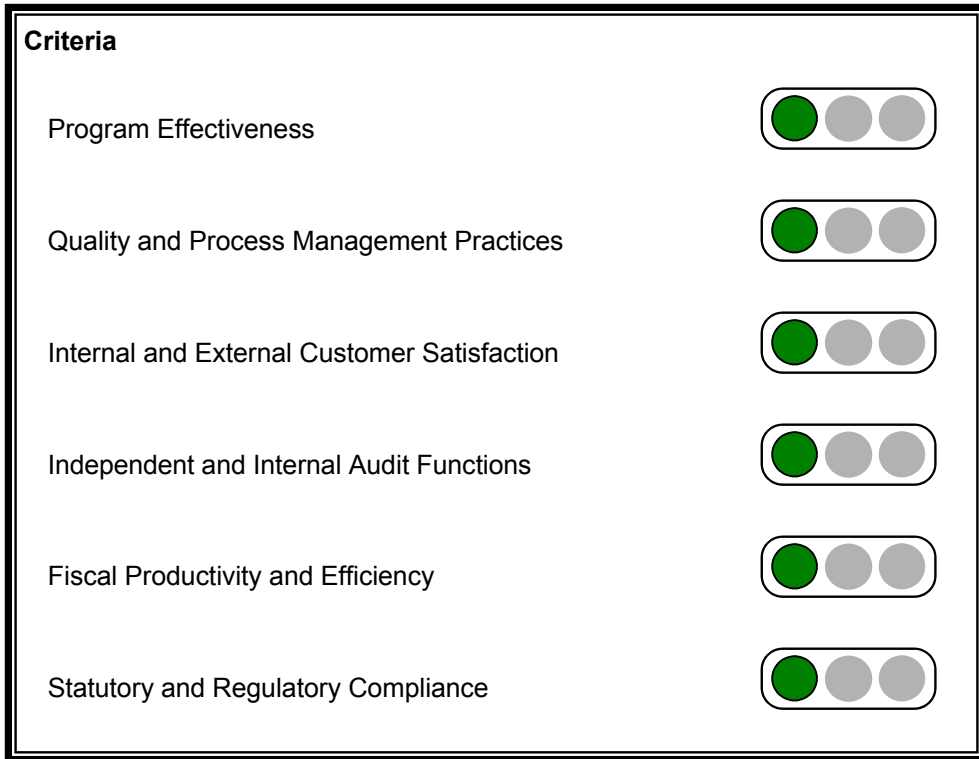


Observations:

- To address customer comments regarding scheduling issues, the EHO linked its hearings calendar to the agency website allowing participants to view their hearing appointments on-line.
- Although the agency does not have a designated internal control officer, EHO participated in a risk assessment study conducted by the Office of Financial Management, Small Agency Client Services and an external consultant.
- The EHO added a customer satisfaction survey on the agency website. All survey results go directly to the secretary, and not to any of the board members or judges to prevent any ex parte contact with parties involved in an appeal.

Agency Scorecard

Financial Institutions, Department of (DFI)

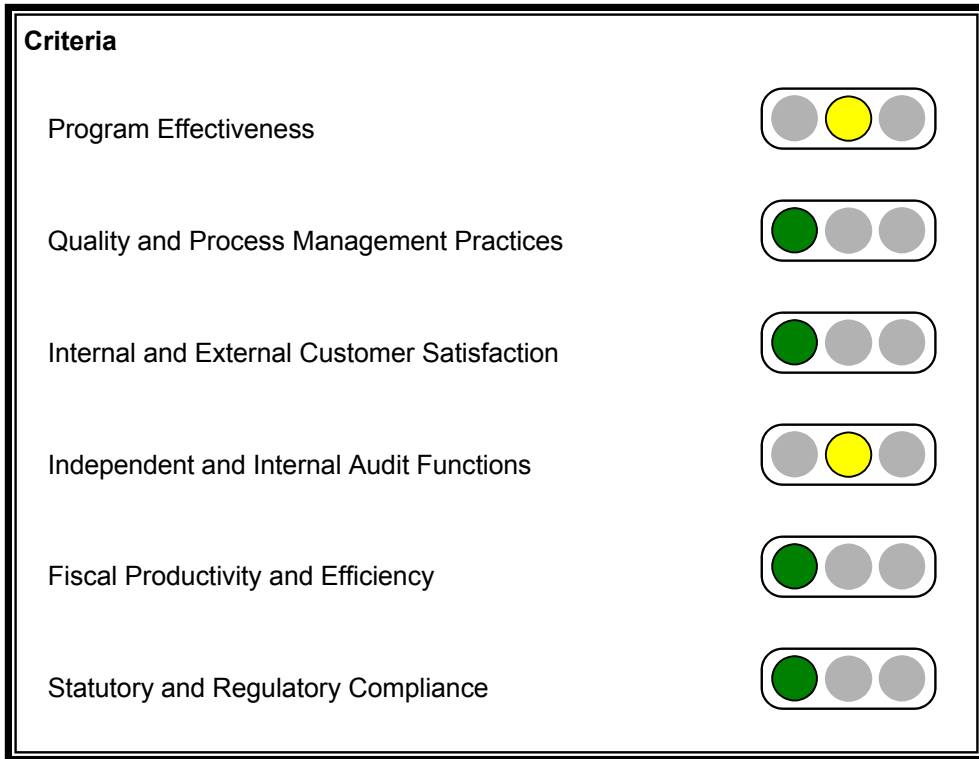


Observations:

- The DFI's balanced scorecard outlines the organization's goals, objectives for each division to support the agency's goals, the strategy each agency intends to use to accomplish each objective, and the performance measures used to track the progress towards achieving those established measures. The DFI's Divisional Business Plans also demonstrate this alignment.
- The DFI maintains a "Quality Pipeline" document that tracks improvements across the organization. The "Pipeline" recognizes the specific project, the project's team lead or contact, the division, and the month/year of the improvement. Additionally, the "Pipeline" denotes any quarters the DFI received recognition in the Governor's "Blue Book."
- The DFI maintains a page on their website dedicated to "Partnerships for Quality." This page outlines the various state and federal partnerships that the DFI and its divisions maintain. These partnerships primarily involve joint examinations and acceptance of each other's reports to meet examination requirements. This results in decreased costs to those entities being regulated as well as to savings on DFI's part for research, training, and reference materials.

Agency Scorecard

Financial Management, Office of (OFM)

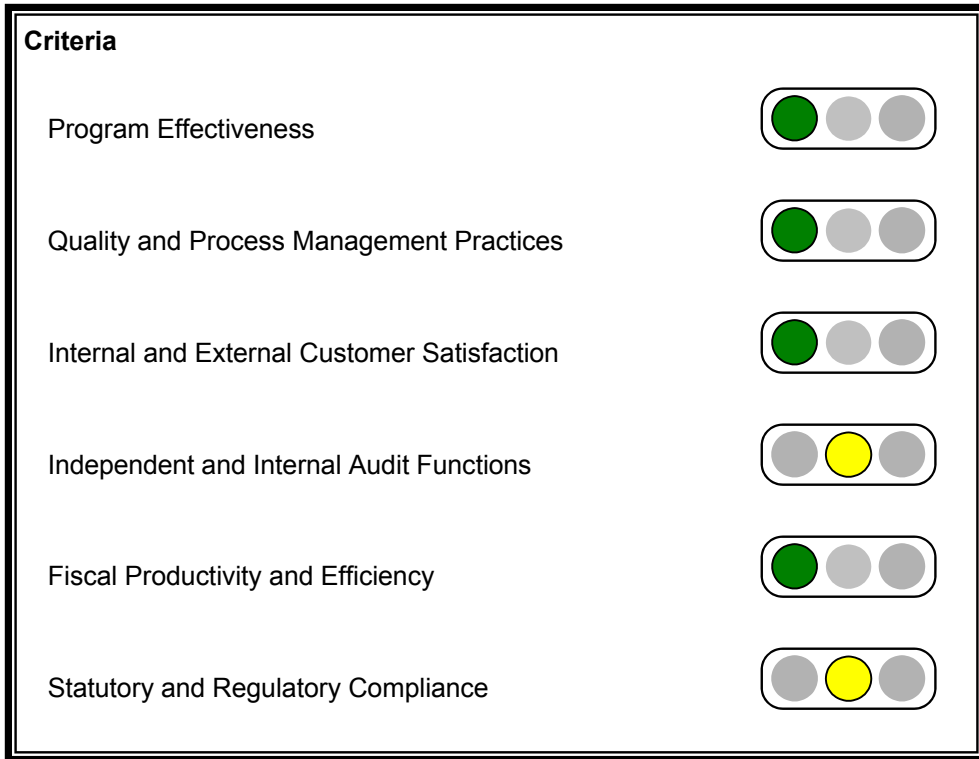


Observations:

- The OFM has developed a strategic plan and a system of performance measures. However, they were unable to provide sufficient evidence of having acted upon performance measurement data to improve operations in recent years.
- The OFM identifies process improvement projects through customer surveys, e.g. they examined their retention issues as a result of a need identified through an employee survey and reduced turnover from 10% to 3%. The quality coordinator is responsible for facilitating this process.
- The Statewide Systems group conducts quarterly meetings with client agencies to solicit their input in an effort to promote better customer service.
- The OFM has delegated an internal controls officer. Although they were able to provide a recent risk assessment, they did not provide an internal audit plan.
- The OFM successfully lobbied for more funding for the Americorp program than the State of Washington would normally be eligible for based on its size and population.

Agency Scorecard

Fish and Wildlife, Department of (DFW)

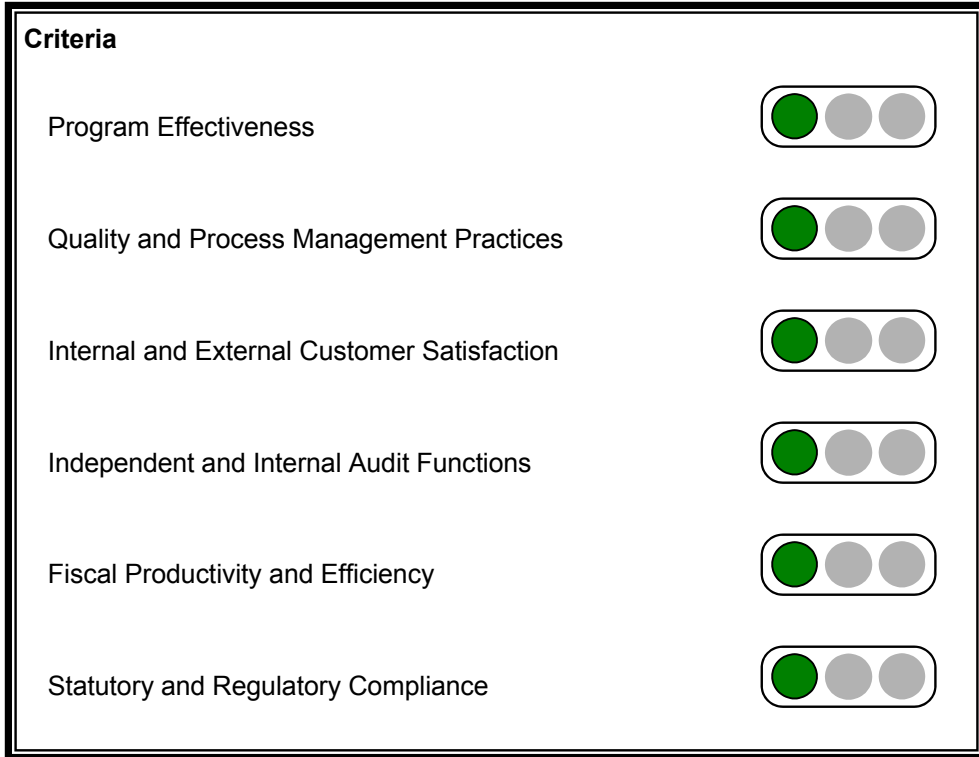


Observations:

- To complement the DFW Director's performance agreement with the Governor, each of the Department's Assistant Directors are required to engage in a performance agreement with the agency Director. These agreements define the Assistant Director's goals as they relate to his/her program and are reviewed and updated on a quarterly basis to track progress on key performance metrics.
- The DFW Director conducted several citizen roundtable discussions in each of the department's six administrative regions and the City of Olympia. Agency management formed customer panels representing a wide range of fish and wildlife interests to ensure a wide cross-section of citizens were represented. Based on this feedback agency management drafted formal sets of long and short term action plans designed to address customer concerns and suggestions identified during these discussions.
- DFW recently engineered two innovative automated systems designed to optimize operations. The Washington Interactive Licensing Database (WILD) system reduces license issue time and excess paperwork while offering an Electronic Funds Transfer payment option as well as internet and telephone purchase capability. Additionally, the Vehicle Mileage Tracking System (VMTS) allows on-line tracking of the agency's monthly vehicle reports. Benefits from this system include reduced data-entry time, report access via the internet, reporting deadline reminders, and a built-in data entry validation module to ensure that all vehicle mileage is accounted for.
- Although the DFW has appointed an internal control officer, they have not completed an agency-wide risk assessment or risk-based internal audit program to address high-risk areas.
- Although the DFW received an audit finding from the State Auditor's Office in 2001, the Department has taken steps to address the issue.

Agency Scorecard

Gambling Commission, Washington State

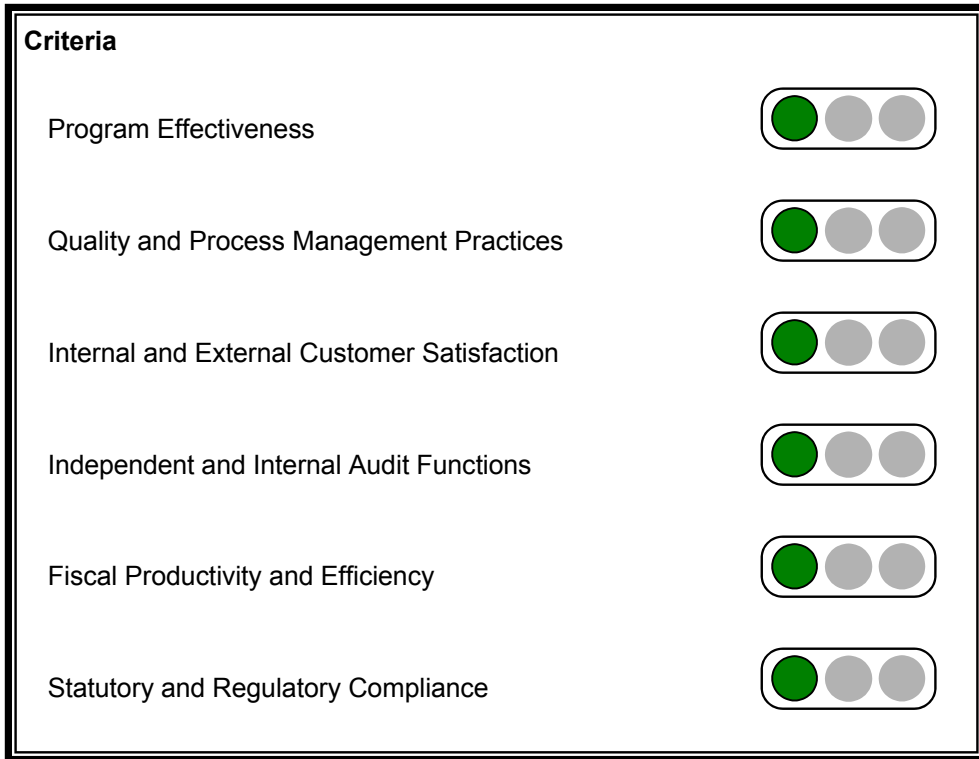


Observations:

- The Commission has taken steps to make licensee training as accessible as possible. In July 2001, web-based training was offered for punchboard/pull-tab operators to supplement the instructor-led mandatory training classes.
- In an effort to increase customer service, the Commission distributed a new rules manual to all licensees in September 2001 that contains a new KeyWord/Subject index to make finding rules easier.

Agency Scorecard

General Administration, Department of (GA)

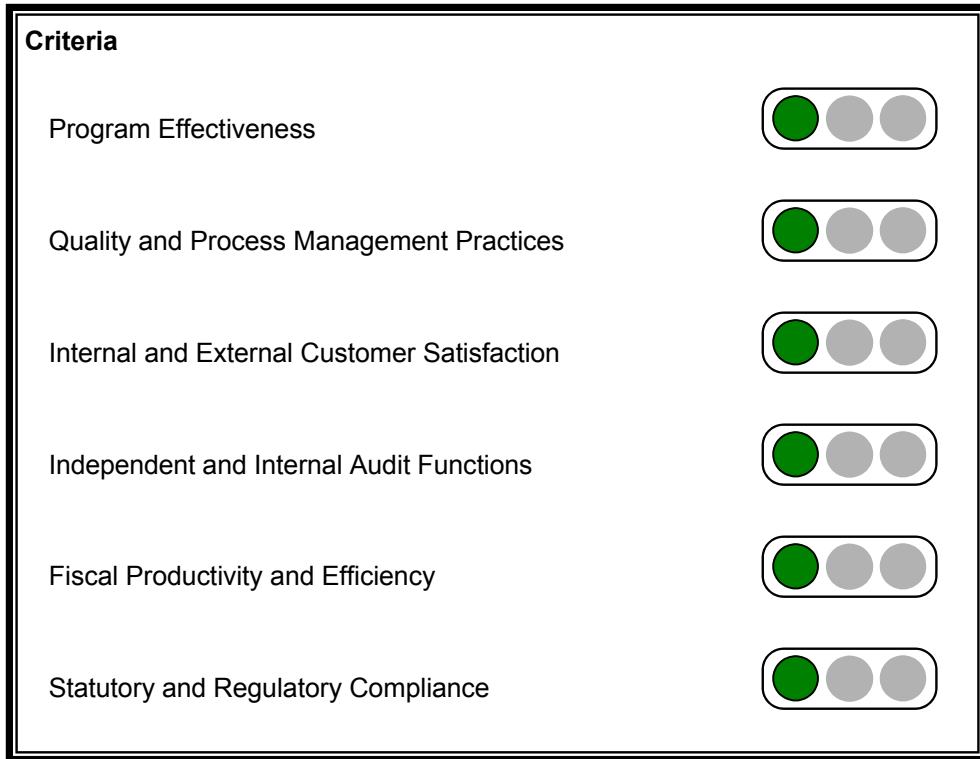


Observations:

- The Department's program managers are responsible for collecting performance measurement data. Their reporting form has a column for comments, which allows program managers to explain reasons for unexpected variances.
- The GA has been recognized by the Governor's office through quality awards on numerous occasions. They also have a process of internal agency recognition and a partnership with the productivity board to recognize employees for innovative suggestions. The board manages employee suggestions through the quality program. This allows them to align strategic initiatives with new initiatives. The board also provides monetary awards to employees.
- The GA has a quality steering committee which functions as a reviewer of quality initiatives and is responsible for reporting results and nominating teams for recognition. They oversee quality improvement projects.

Agency Scorecard

Growth Management Hearings Board (GMHB)

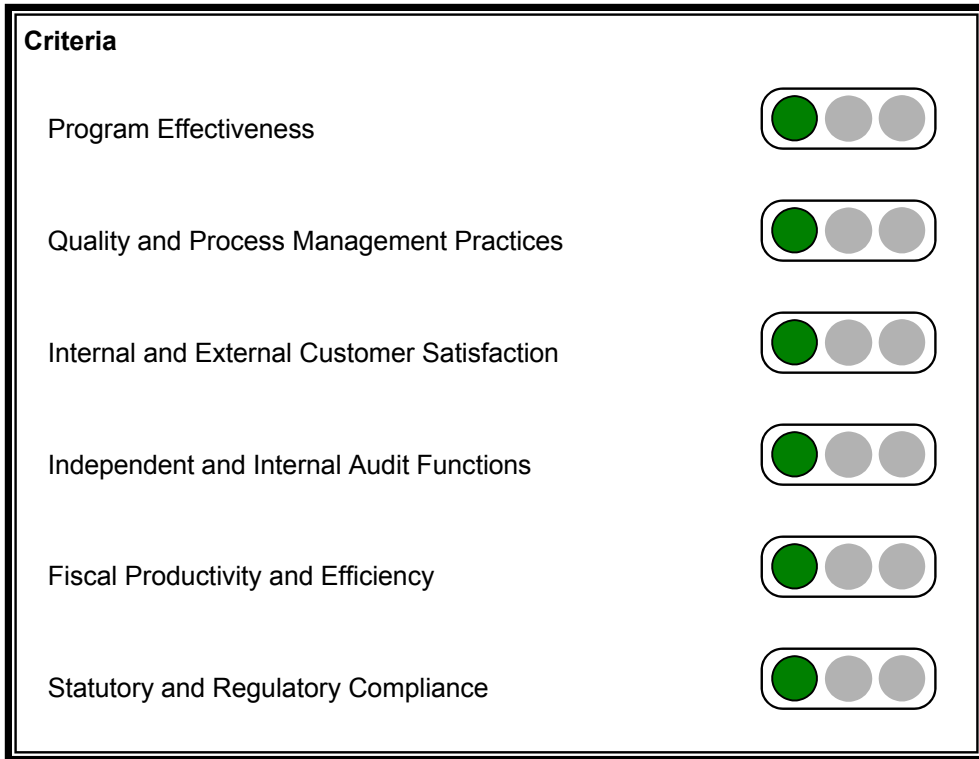


Observations:

- The Western Board underwent a Peer Review Assessment in 2001 of its administrative and hearings practices and shared the results with the Eastern and Central Boards. The review was an evaluation of how the Board uses resources and how it can improve management performance.
- In order to save money, two of the three component Boards have entered into co-location agreements with other state agencies for office space. For example, the Central Board is in the process of process of securing office space at the Attorney General's (AG) office in Seattle. Preliminary numbers suggest the Central Board will realize a lease cost savings of approximately \$9,000 per year.
- The Boards have used surveys in past years, but had very uneven responses. In the past three years, the Boards have jointly sponsored "stakeholder listening posts" to get a broader, more measured indication of customer satisfaction and suggestions for improvement.

Agency Scorecard

Health Care Authority, State (HCA)

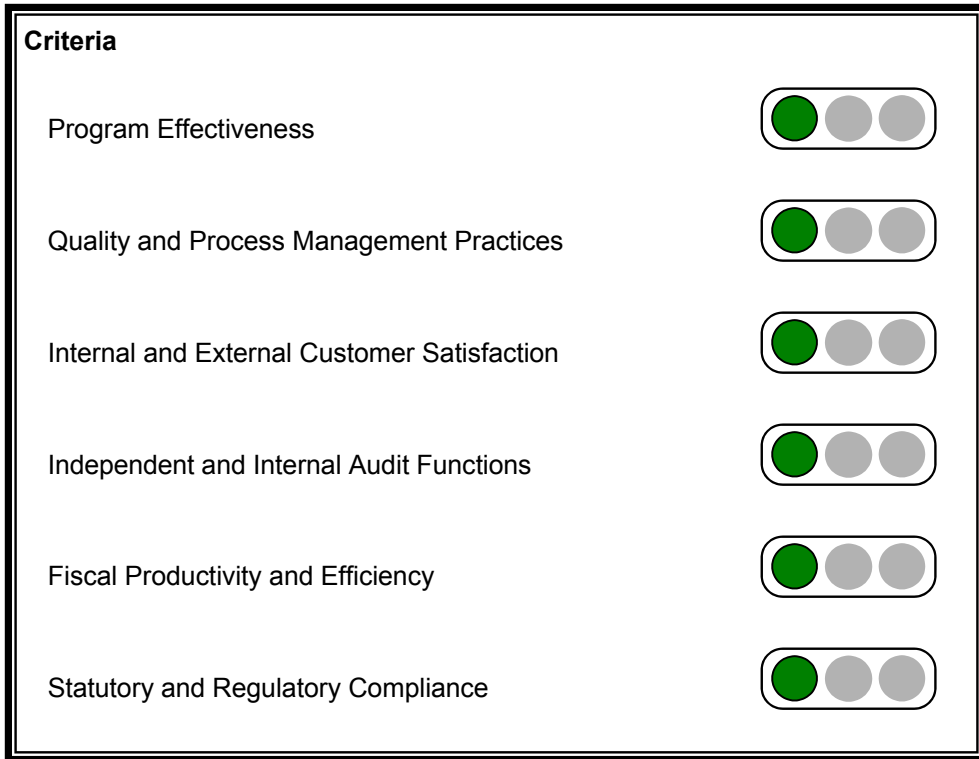


Observations:

- In an effort to reduce open enrollment printing costs, the HCA implemented online open enrollment for its Public Employee Benefit Board enrollees. According to the HCA, 1,600 plan changes were made via the internet site and fewer than 1,000 enrollees requested paper versions of the open enrollment materials during the first week of enrollment. The HCA expects that future reliance on web-based enrollment will continue to reduce postage and printing costs.
- The HCA and the Department of Social and Health Services recently conducted a satisfaction survey for home care providers. Feedback from this customer group indicated that home care providers without health care coverage had not heard of affordable health plans offered by the HCA. In response to this information, the HCA increased its marketing efforts to this segment and subsequently was able to increase the number of health care providers enrolled by in HCA health plans by 50%.
- The HCA engaged a consulting firm to determine if the mechanisms/systems used to report HCA performance measures were reliable. In conjunction with this review, the consultant compared raw data to data generated by the HCA's automated systems. Following their review, the consultant concluded that automated reports responsible for producing performance measure data are reliable for all measures reviewed.

Agency Scorecard

Health, Department of (DOH)

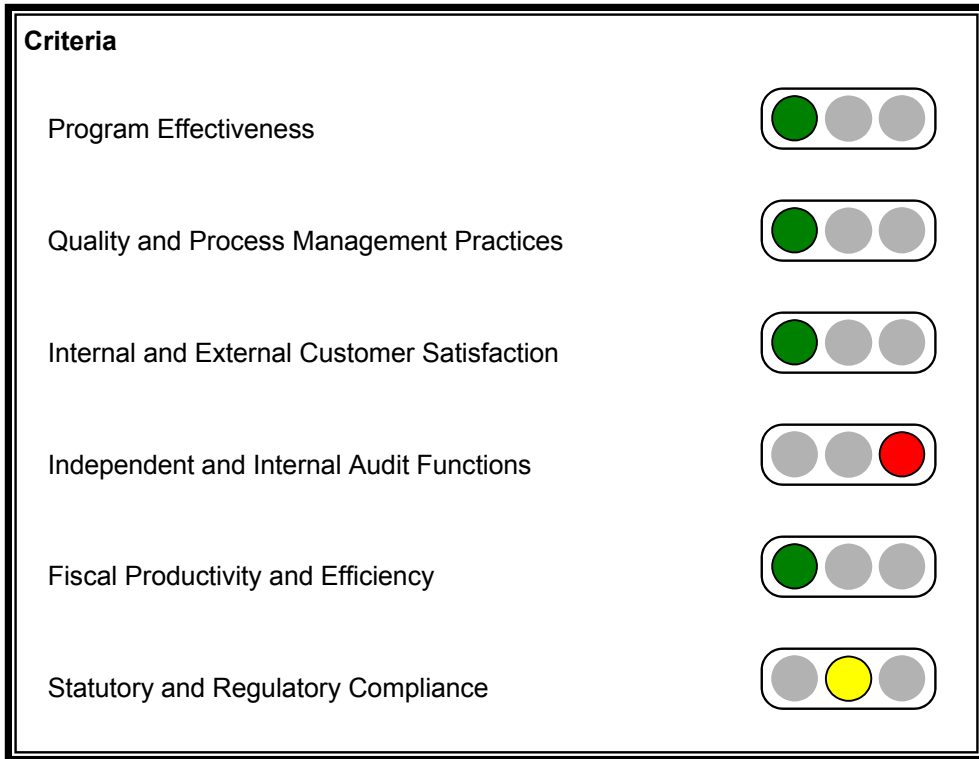


Observations:

- During the development of their previous strategic plan, the DOH undertook steps to ensure that they were aligning their agency's programs with their mission. They spent 18 months identifying and prioritizing 224 programs and administrative services offered by the department, and developed matrices to match their programs with their mission statement.
- The Department employs a quality consultant, who coordinates the operations of the quality assurance teams in various programs. One of the products of the quality assurance function is a problem-solving guide which they provide to program managers.
- The Department employs an internal controls officer who is responsible for completing annual risk assessments and selecting programs for performance and financial audits.

Agency Scorecard

Historical Society, Washington State (WHS)

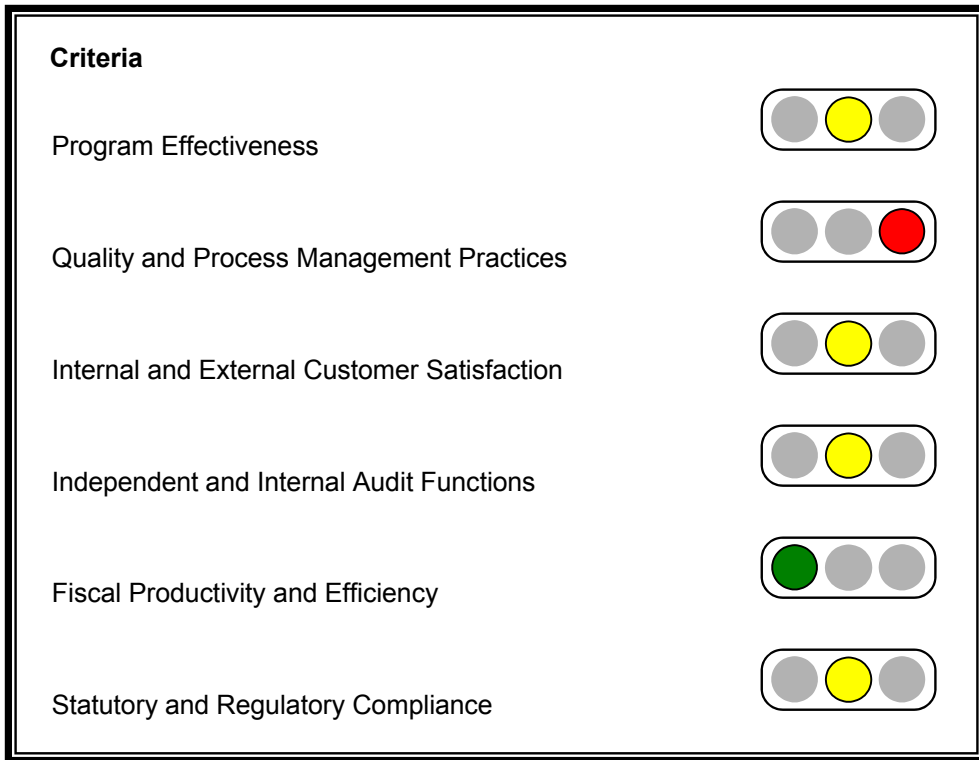


Observations:

- WSHS is adding one part-time intermittent curator to catalog collections in order to achieve American Association of Museums accreditation and address recent State Auditor's Office findings.
- WSHS hired a marketing firm to develop and implement a comprehensive sales and marketing plan to increase museum awareness and attendance.
- Both the WSHS History Lab and the agency's publication, *Columbia Magazine*, received national recognition from the American Association for State and Local History
- The WSHS conducts an annual customer satisfaction study with the assistance from a private consulting firm in order to measure several key factors including overall customer satisfaction, perceived value received for admission costs, educational experience, cleanliness, and employee courtesy.
- Due to limited resources, the WSHS has not appointed an internal control officer and has not conducted an agency-wide risk assessment.
- The WSHS received recent findings from the State Auditor, but provided evidence of timely follow-up.

Agency Scorecard

Horse Racing Commission, Washington (HRC)

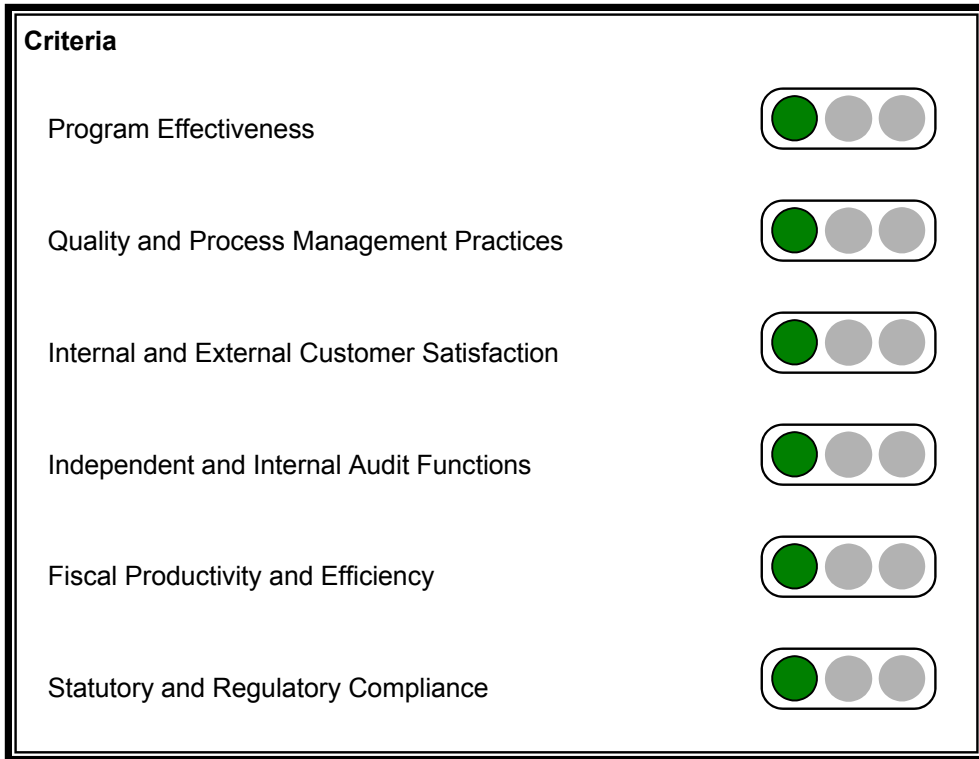


Observations:

- The HRC admittedly indicated that it had not previously done much as an agency to act on performance data to improve program effectiveness. However, the HRC's recently appointed executive management expressed the desire to increase the sharing of information among staff to enhance accountability and allow input to improve operations.
- Quality Assurance is presently non-existent at the HRC primarily because between October and March there are four FTE at the Commission (Executive Secretary, Administrative Services Manager, IT representative, and a secretary).
- While the HRC has not measured internal/customer satisfaction to date, the new executive management team plans to use surveys in the future to assess licensee and the public's satisfaction at the tracks. However, the HRC does receive input from licensees and industry representatives during its monthly HRC meetings.
- The HRC has not appointed an internal control officer since the inception of the new executive management team (July/August 2002), but noted that it contracts with the OFM's SACS to perform its accounting processes.
- The HRC and the State's racing industry has shown a commitment to eliminate catastrophic injuries to racehorses. This dedication is demonstrated by the creation of a post mortem program in Washington State that is intended to 1) Determine the nature of injuries occurring in racehorses; 2) Determine the causes of these injuries, and 3) Develop preventative strategies. For all horses that die on Class A racetracks in Washington, a post mortem is performed by the WADDL at Washington State University's Veterinary School and the results are reported to the HRC.
- In the State Auditor's Office's (SAO) 2001 Statewide Accountability Report, the Commission was cited for two findings: 1) The Commission did not collect satellite fees totaling \$954,600 from its licensees during calendar years 1999, 2000, and 2001, and 2) The Commission held a meeting that did not comply with the Open Public Meetings Act. The SAO's report indicated timely follow-up on the noted findings.

Agency Scorecard

Industrial Insurance Appeals, Board of (BIIA)

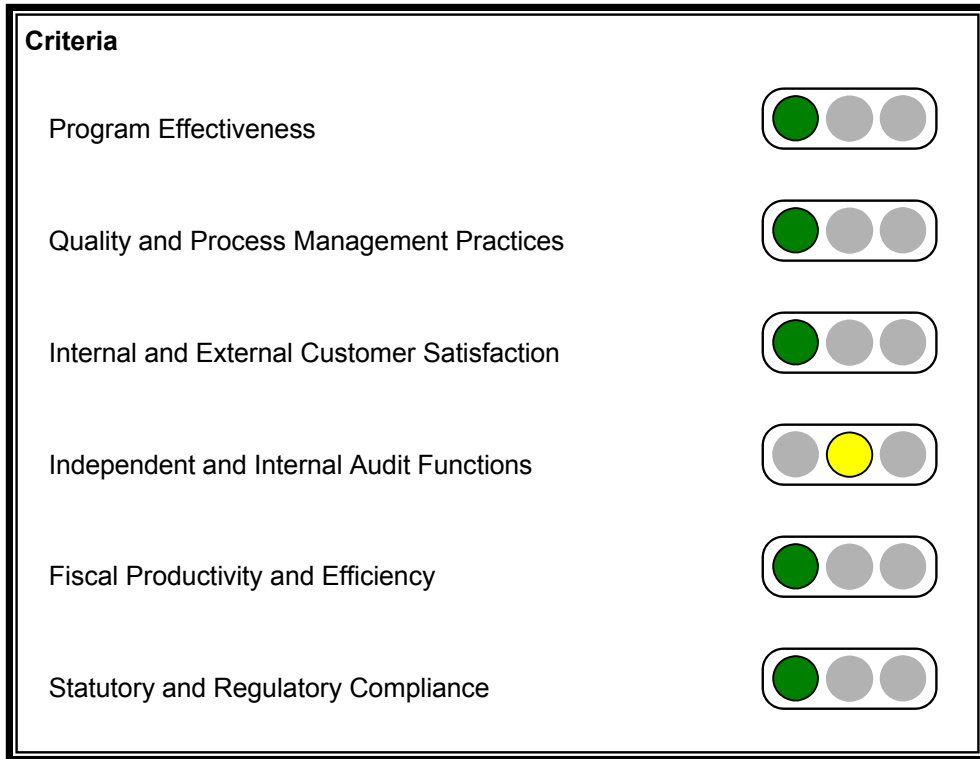


Observations:

- The BIIA eliminated court reports for all but pro se appellant conferences by use of Report of Proceedings (ROP) forms. Since full implementation, the BIIA has reduced the use of court reporters in conferences by 73%. This innovation allowed the BIIA to avoid approximately \$40,000 per month in court reporting costs and reduced the time to issue agreed orders by 67%.
- Although the agency does not have a dedicated QA position, the BIIA has a quality focus built into their standard performance expectations. An example of this can be seen by the relatively few cases adjudicated by the BIIA that are appealed to Superior Court: In FY1989, nearly 12% of the BIIA final decisions were appealed, in FY1990, 9.8% of final decisions were appealed, and in FY2002, 4.7% of the Board decisions appealed to Superior Court.
- The BIIA essentially conducted an operational risk assessment during its survey of internal customers on the Board Scheduling Project (BESS). This helped the BIIA move from handwritten "status sheets" (basically the calendaring of all meetings, etc. for all BIIA judges) to electronic calendaring via integration of Microsoft Outlook. The loss of dates for filing deadlines, etc. is a high operating risk to the BIIA.

Agency Scorecard

Information Services, Department of (DIS)

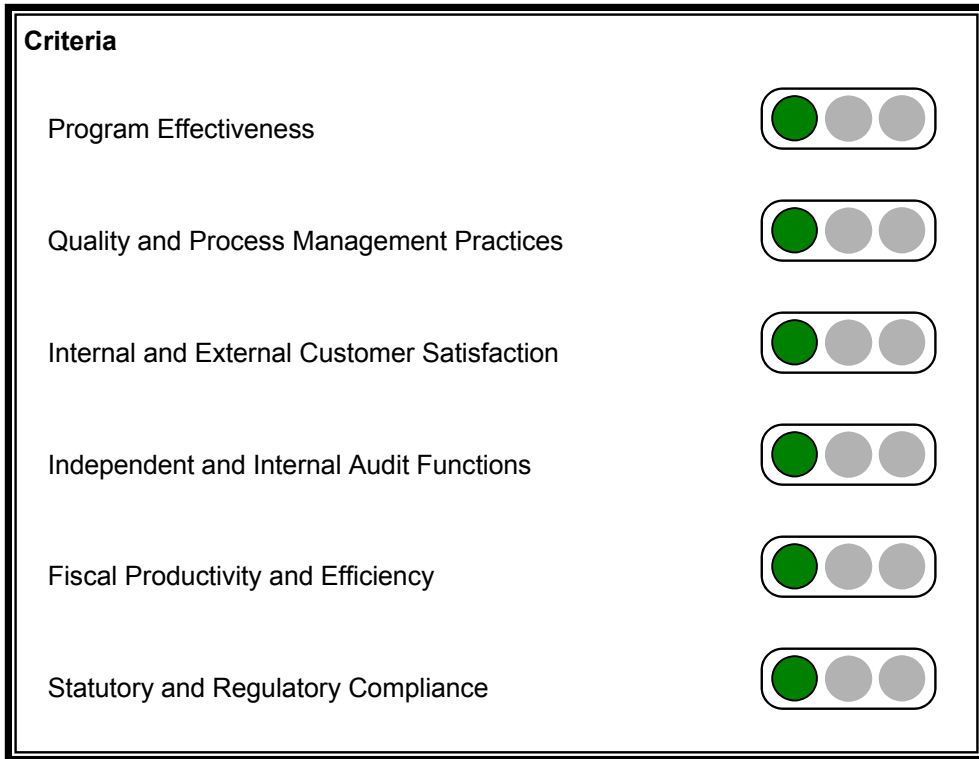


Observations:

- The Department's goal is 99.9 percent system reliability. They constantly monitor networks, backup systems etc. They expect no downtime on telephone systems. The DIS conducts an investigation into every system outage, e.g. the Internet may not be available because a router malfunctioned. The DIS would investigate such an event and determine how to prevent it in the future.
- The DIS has won the Digital State award for the State of Washington for three consecutive years. They have also won the Governor's quality award in state government. The digital state award is a competitive award offered by the Center for Digital Government. The DIS regularly appeared in the Governor's blue book over the last year.
- The DIS does not have a dedicated internal auditor, but delegates that function to a group of three staff members in the Finance division. They were unable to provide evidence of recent risk assessments or an internal audit plan.
- The DIS maintains competitive rates and a focus on quality. The department does not receive any general fund money. The DIS is required to add value and be competitive in order to retain customers. The Director has established a group called Customer Relationship Management to make customers aware of the services the DIS provides since a larger customer base results in lower per unit costs. The group recently conducted a rate fair to inform customers of the various services and their rates.

Agency Scorecard

Investment Board, State (SIB)

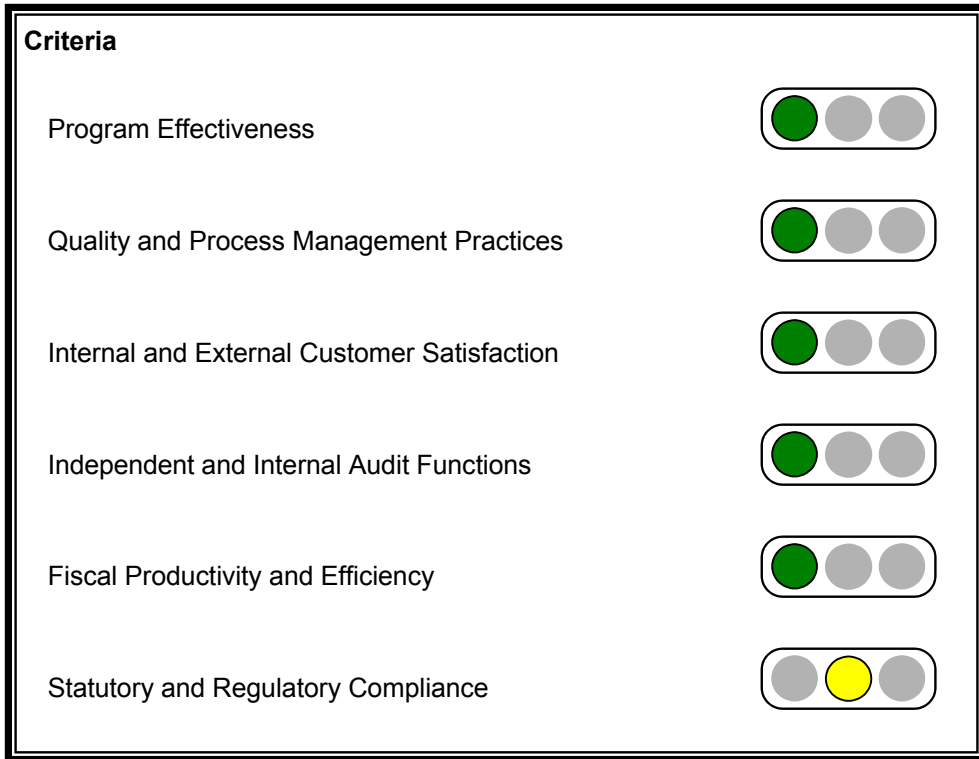


Observations:

- The Public Markets Committee (Committee) reviews the performance of each fund manager against the Public Markets' Benchmarks and the SIB's performance measures. Poor performance can result on the fund manager's placement on the Committee's "Watch List" whereby the fund manager's activities fall under intense scrutiny from the Committee and continued sub-par performance can result in the fund manager's removal.
- In 1998 the SIB received an award from the NASIO for posting the highest returns for any state pension.
- The SIB works with the Washington State Retirement System (Retirement System) to provide investment information to an interactive website that allows defined contribution plan members to manage their investments from online.

Agency Scorecard

Labor and Industries, Department of (L&I)

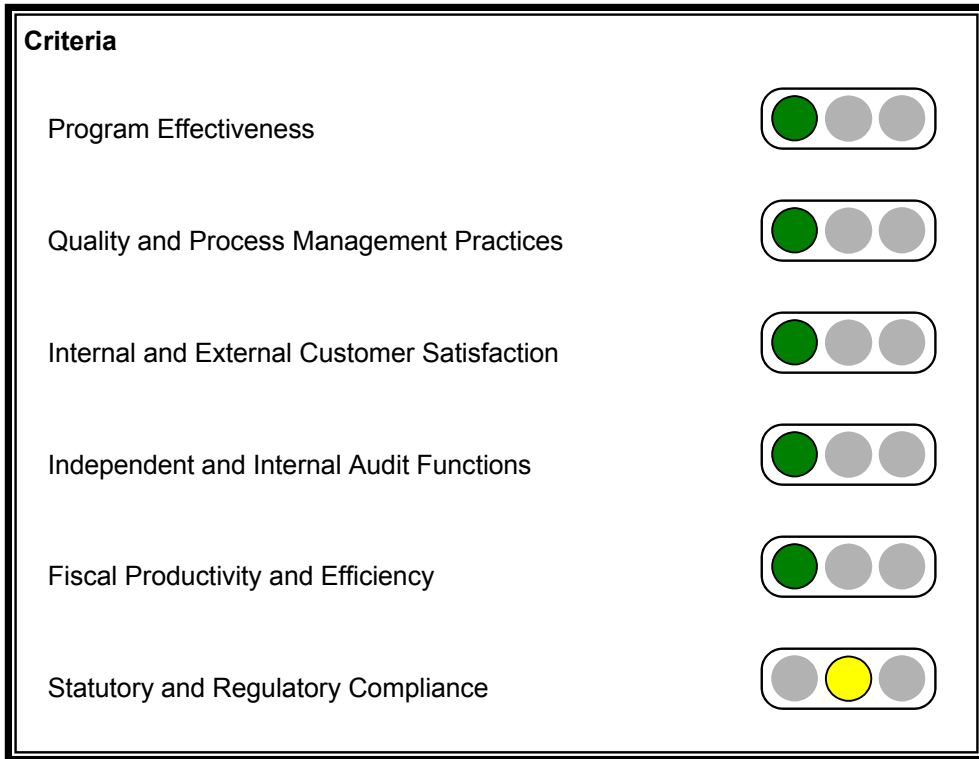


Observations:

- The Department of Labor and Industries has specific QA functions in certain areas like claims. They have integrated their QA function with their divisions through the use of their scorecard system. Each division of the agency creates scorecards for their operations.
- The Department typically hires a professional consultant to conduct customer surveys. They also conduct stakeholder meetings by division to solicit input, e.g. the electrical program conducts such meetings quarterly or biannually.
- The Department has an internal audit unit. The internal audit staff consists of five persons. They perform an annual risk assessment which they use to produce an audit plan.
- The Department received findings from the State Auditor for FY 00 but provided evidence of timely follow-up.

Agency Scorecard

Licensing, Department of (DOL)

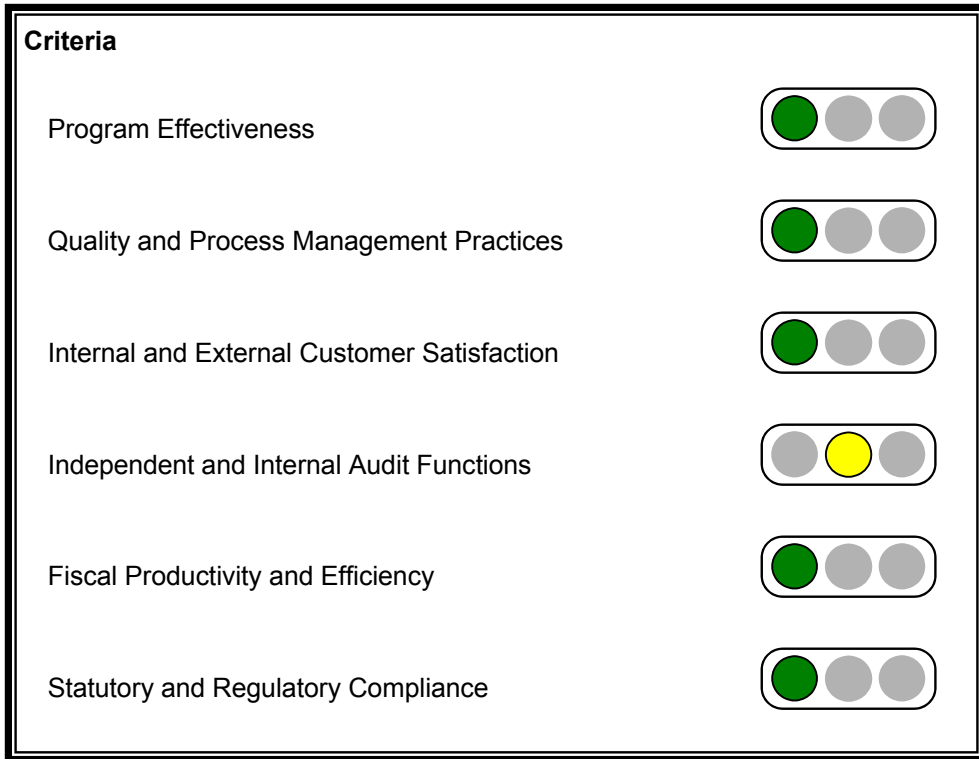


Observations:

- In addition to its agency-wide balanced scorecard, the DOL implemented a balanced scorecard reporting process for each of its operating divisions, and selected sub-divisions. The executive management team and program managers identified goals and strategies for each of the Balanced Scorecard perspectives, with accompanying measures, targets, resources, timelines and accountable leads. Program level balanced scorecards are posted on the agency's intranet and are reviewed on a quarterly basis.
- The DOL implemented a formal performance improvement plan process for divisions or sub-divisions not meeting performance targets. These plans document and analyze factors contributing to the sub-par performance and present steps previously taken to address issues. Performance managers also document action items needed for improvement and require regular status reports indicating toward established goals.
- The DOL received the National Golden Hammer Award for its Master License System application. This application allows potential small business owners the ability to obtain all relevant business license requirements on-line in order to apply for, and obtain, a license on the same day.
- The DOL conducted an internal fee study to ensure that the fees charged for licensing services cover agency costs for these services. This study recommended increases in approximately half of the Department's fees.
- The DOL received a recent finding from the State Auditor, but provided evidence of timely follow-up.

Agency Scorecard

Liquor Control Board, (LCB)

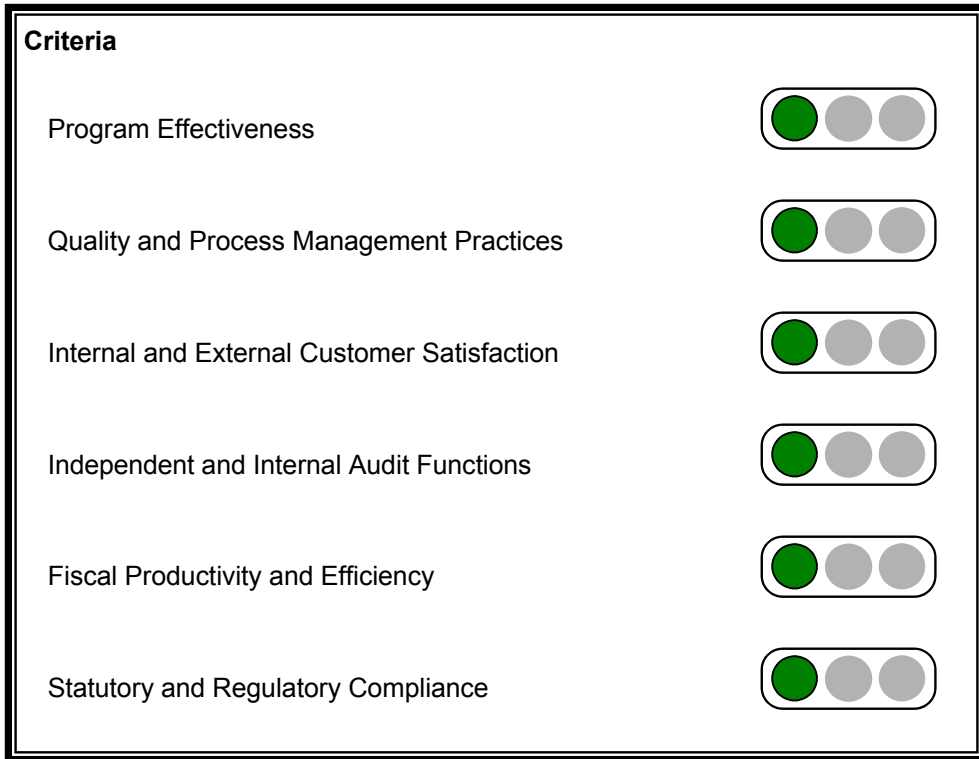


Observations:

- The Board defines their customers as the liquor buying public, taxpayers of the State of Washington, restaurant associations, grocers associations, and local law enforcement agencies. They also define stakeholders as distiller's organizations like the Washington Wine Growers. They provide customer survey cards to customers in their retail locations. They also conduct stakeholder meetings regularly. They wrote their retail plan, which includes several new customer service improvement initiatives, using input from all of their customer groups.
- The Board has eight Internal Audit staff members. They report to the Finance division. In the past, their primary function has been to audit their retail stores. In April the board asked two of these auditors to do an internal review of the Board in response to a theft. Although they indicated that their auditors conduct regular audits of retail locations, the Board did not provide risk assessments or an internal audit plan for recent years.

Agency Scorecard

Lottery Commission, State (LOT)

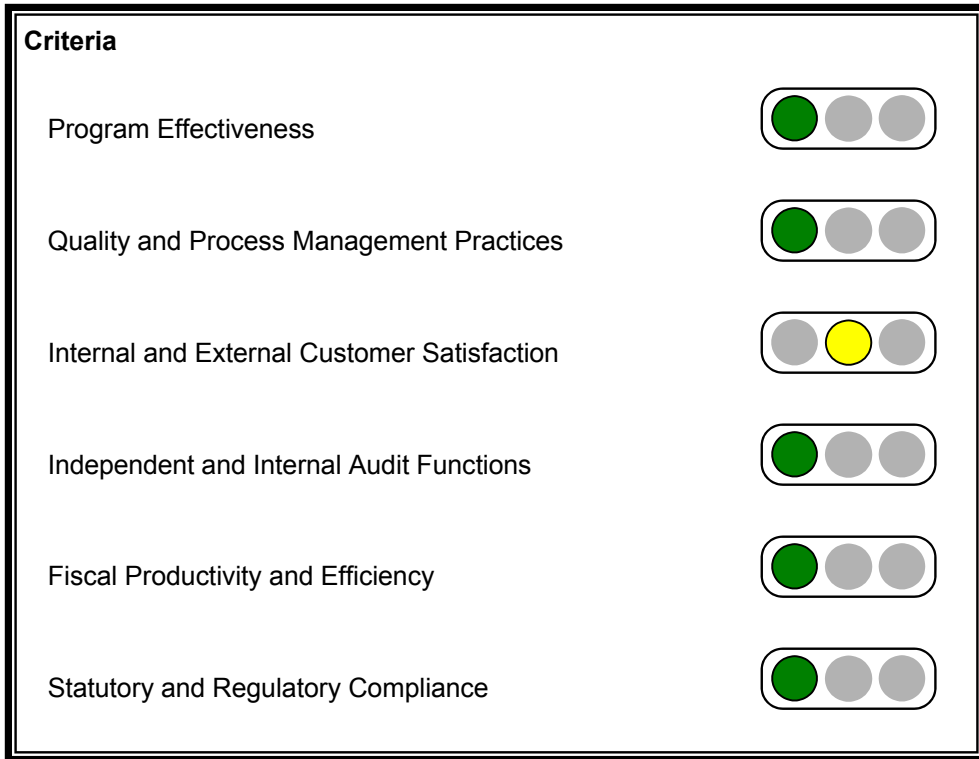


Observations:

- To supplement its strategic planning process, the Lottery produces a year end performance measures report. This report indicates the previous years performance along each of the Commission's key measures and contains action items resulting from year-end data.
- The Lottery developed a database warehouse combining the Lottery's financial and sales data. This database now provides data that is reconcilable between its Finance Department, Sales Department, and the General Ledger.
- The Lottery has an involved quality assurance processes to ensure a strong internal control environment over several lottery process including ticket production, revenue collection, and security procedures.
- The Lottery asks customers to rate both the importance of products/services and the satisfaction with those elements. Lottery staff will perform a gap analysis on the results by identifying products/services with the greatest disparity between high importance and low satisfaction. These products/services elements are identified as problem areas and actions for improvement are prioritized.

Agency Scorecard

Military Department, (MIL)

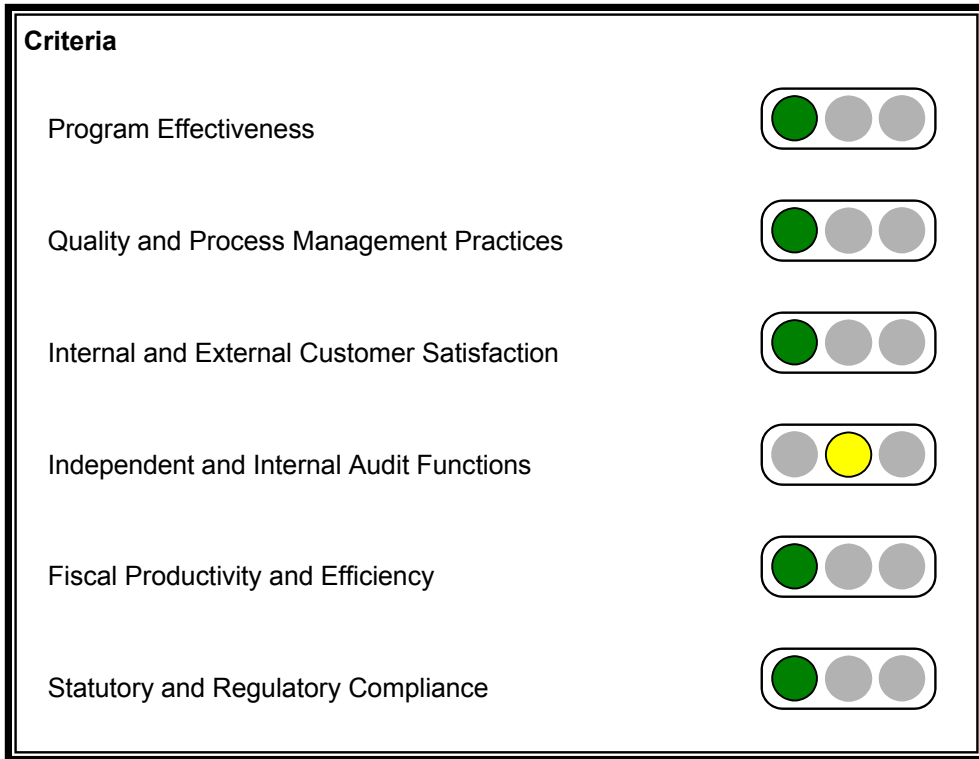


Observations:

- The performance data the Military Department produces goes to Department's executive team members. If targets are not met, they provide action plans to show how they intend to meet their goals. The team discusses their performance measures as an agenda item on a quarterly basis.
- The Department employs a Quality Assurance Program Coordinator. They have quality assurance programs throughout the National Guard, primarily associated with military equipment. Their quality assurance function has facilitated the implementation of a system that will allow them to have templates for their contracts online. These will be shared with reviewers electronically. The system connects to a database and is able to speed up the process of contracting. They will have the contracts available on their intranet for their program managers to review and payment staff to audit. This will help them stop duplicate payments. The project is currently in the acceptance-testing phase.
- The Department's customer base changes dramatically depending on the nature of their assignment. This creates customer satisfaction measurement challenges. The department indicated that they conduct after action reviews of all of their operations (e.g. their response to the Nisqually earthquake). However, they were unable to provide sufficient evidence of having acted upon customer input to improve customer service.

Agency Scorecard

Outdoor Recreation, Interagency Committee for (IAC)

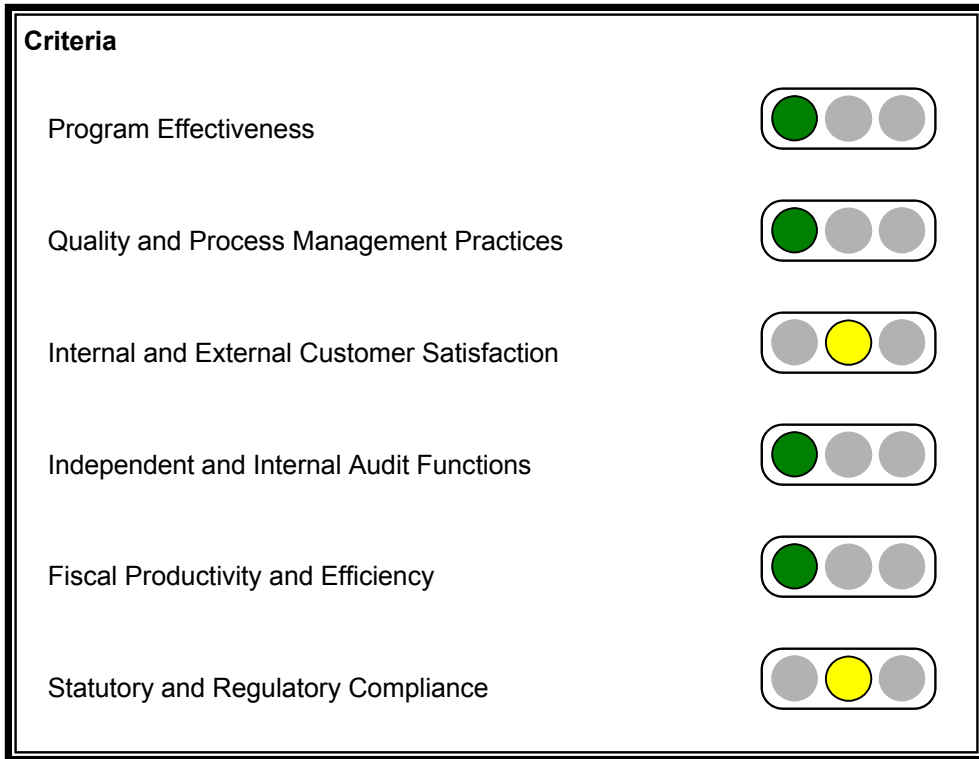


Observations:

- During the development of their previous strategic plan, the DOH undertook steps to ensure that they were aligning their agency's programs with their mission. They spent 18 months identifying and prioritizing 224 programs and administrative services offered by the department, and developed matrices to match their programs with their mission statement.
- The Department employs a quality consultant, who coordinates the operations of the quality assurance teams in various programs. One of the products of the quality assurance function is a problem-solving guide which they provide to program managers.
- The Department employs an internal controls officer who is responsible for completing annual risk assessments and selecting programs for performance and financial audits.

Agency Scorecard

Patrol, Washington State (WSP)

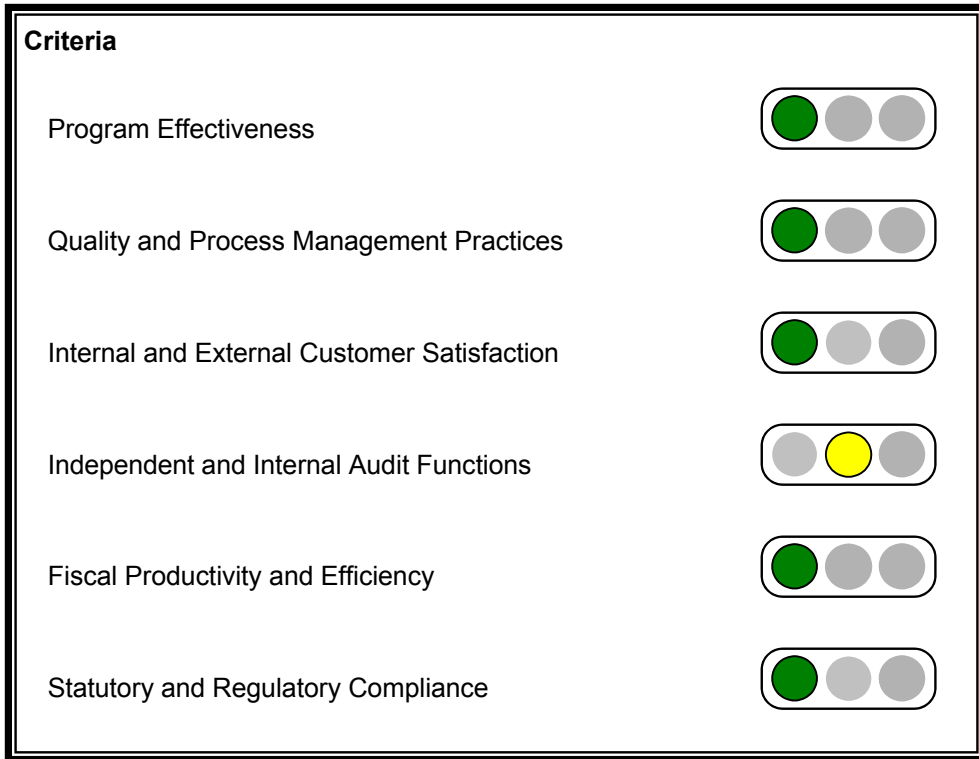


Observations:

- The Washington State Patrol (WSP) maintains a Research and Planning unit that is charged with maintaining their performance measurement data.
- The Director asks selected division chiefs to present performance data at weekly forums. The executive staff request data analysis for variances and require action plans to address negative variances.
- The WSP was recognized in the Governor's Blue Book for their role in initiating the public private land exchange which allowed them to save approximately \$5 million for the state.
- Although the WSP conducted a Citizens Survey in 1999-2000, they were unable to provide sufficient evidence of having taken steps to increase customer satisfaction as a result of the survey.
- The WSP received a finding from JLARC in their last audit, but provided evidence of timely follow-up.

Agency Scorecard

Personnel Appeals Board (PAB)

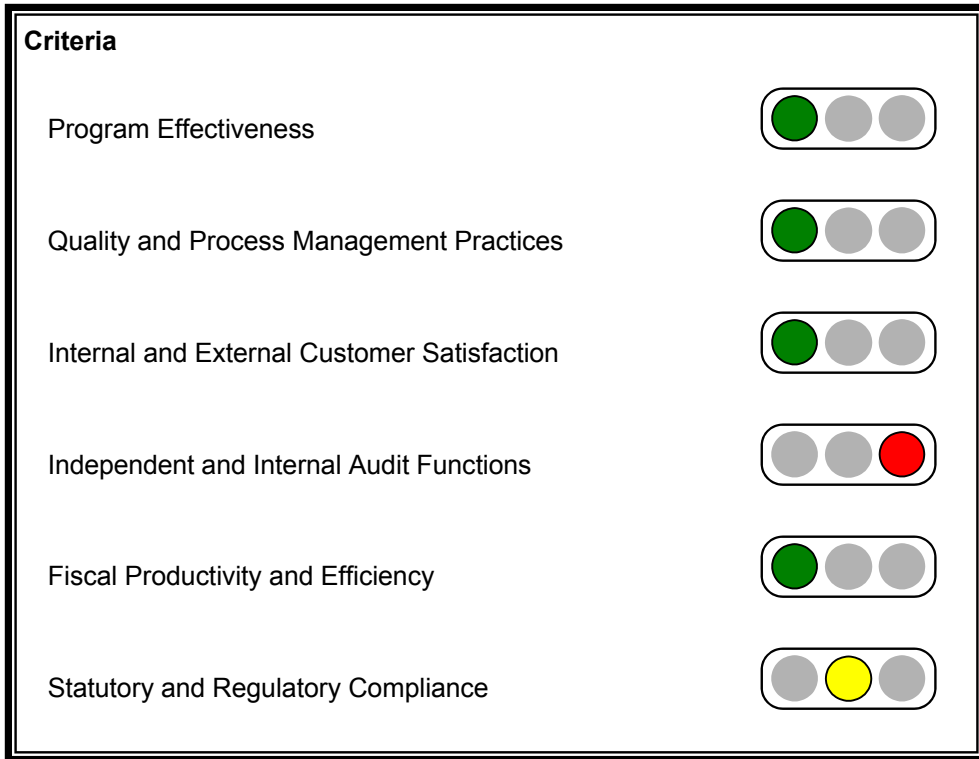


Observations:

- In an effort to reduce fees charged by external hearing examiners, the PAB drafted a standard contract delineating specific/maximum fees that can be charged for mediation appeals. This fee schedule indicates maximum fees for mediation hearings, decision writing, appeal review, and travel time.
- The PAB has increased its percentage of timely closing of appeals within 12 months of filing from 64% in FY1999 to 82% in FY2001. The PAB anticipates maintaining or exceeding this level of efficiency in FY 2003.
- The PAB has not appointed an internal control officer and did not provide evidence of an annual risk assessment and a risk-based audit plan.

Agency Scorecard

Personnel, Department of (DOP)

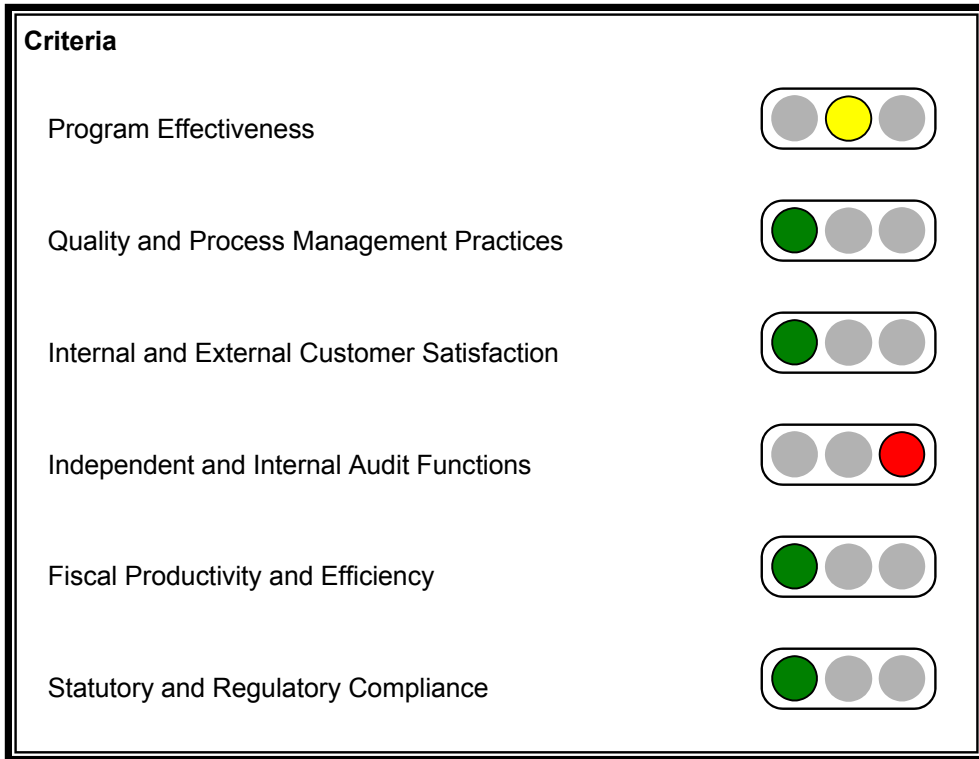


Observations:

- The DOP Internet Application System was recently featured in the Public Personnel Management Journal as a best practice. The Journal reports that the system has reduced application cycle time from 5 weeks to 1-2 hours.
- The DOP has performed process flow reviews of key department processes in order to identify inefficiencies and/or bottlenecks. The agency has reviewed processes such as, recruitment requests, employment exam reviews, application processing, and its referral process.
- Due to a recent re-design of the state's human resource system, the DOP surveyed state managers and employees to determine if the new system is responsive to the needs and preferences of state managers and employees. Approximately 4,600 employees participated in the survey and another 3,000 employees participated in general informational forums around the state.
- The DOP has not assigned an internal control officer and has not completed a risk assessment or internal audit program.
- The DOP received a recent finding from the State Auditor, but provided evidence of timely follow-up.

Agency Scorecard

Pollution Liability Insurance Program, Washington (PLI)

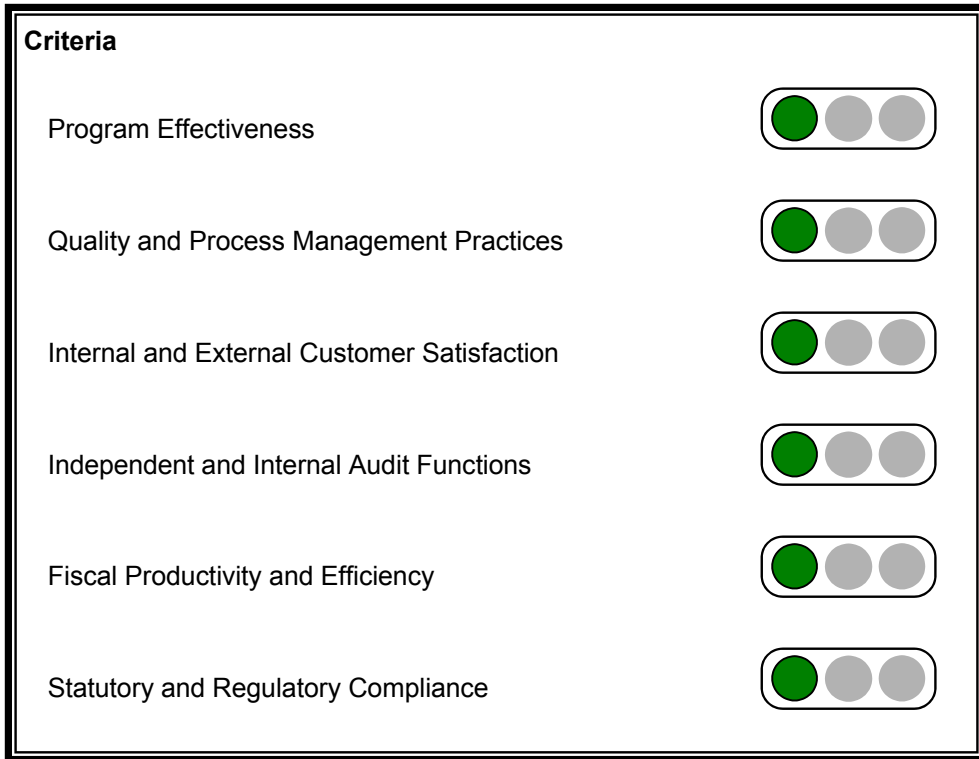


Observations:

- The PLIA Underground Storage Tank (UST) program was recognized as the best UST program in the nation at the Federal Environmental Protection Agency's annual State Fund Administrator's Conference. The Agency was recognized for outstanding achievement, particularly in the areas of cost savings and financial management as the agency has saved UST owners over \$2.5 million in insurance premiums over six years.
- The PLIA recently experienced a leadership transition and is currently revisiting its strategic plan and performance measures. To address the need for aligned measures, the PLIA has surveyed each major program and has identified desired metrics for collection. As the agency refines its data needs and reporting systems, the PLIA intends to have aligned metrics in the next iteration of its strategic plan.
- The PLIA has not assigned an internal control officer and has not completed a risk assessment or internal audit program.

Agency Scorecard

Public Disclosure Commission (PDC)

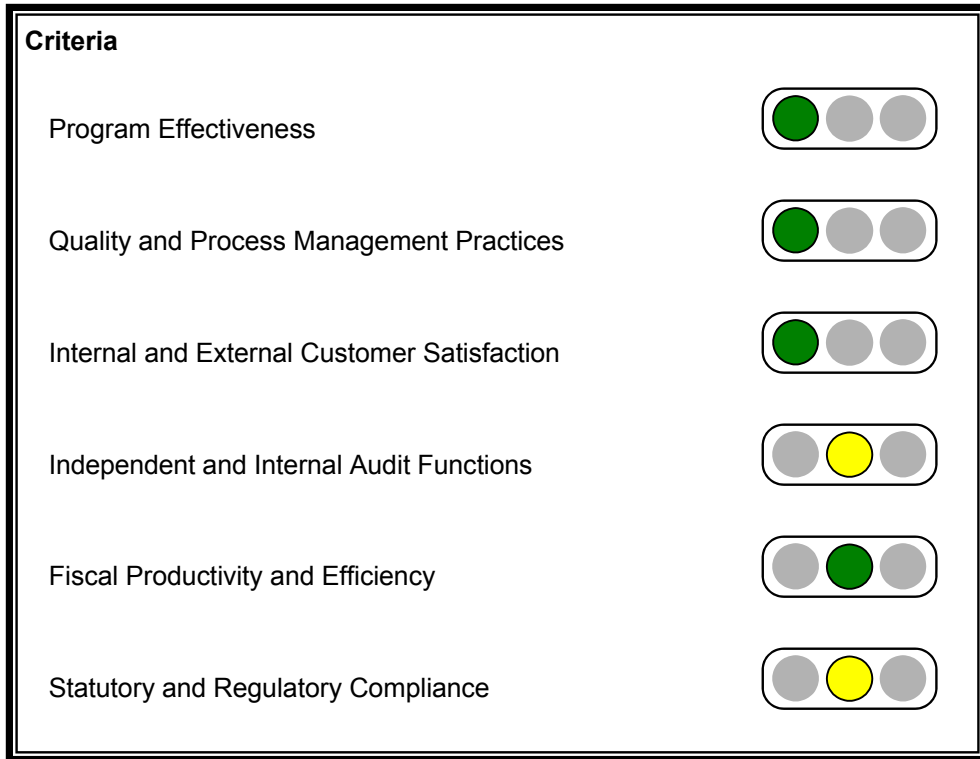


Observations:

- The PDC collects data to support its initiatives through two primary mediums: the PDC webpage (electronic filing statistics, etc.) and Commission meetings. In addition, the PDC outlines the means for acquiring data for each performance measure using a document entitled "How We Track Performance Measures." This document details the data collection process for each of the PDC's performance measures.
- In June 2001, the PDC purchased laptop computers for the five citizen members of the Commission. Meeting materials that previously amounted to reams of paper are now provided to the Commissioners on CD-ROM. Staff no longer spends time copying, collating, and assembling meeting materials, and the costs associated with mailing the materials has been drastically reduced. The Commissioners bring their laptop computers to the monthly Commission meetings and use the electronic version of documents for agenda items.
- The PDC maintains a spreadsheet that tracks all requests for information received from the public each week. The spreadsheet indicates when the request was filed, what was sent by the PDC, when the PDC sent the corresponding information, and how it was sent (i.e., fax, mail, etc.).

Agency Scorecard

Public Instruction, Superintendent of (SPI)

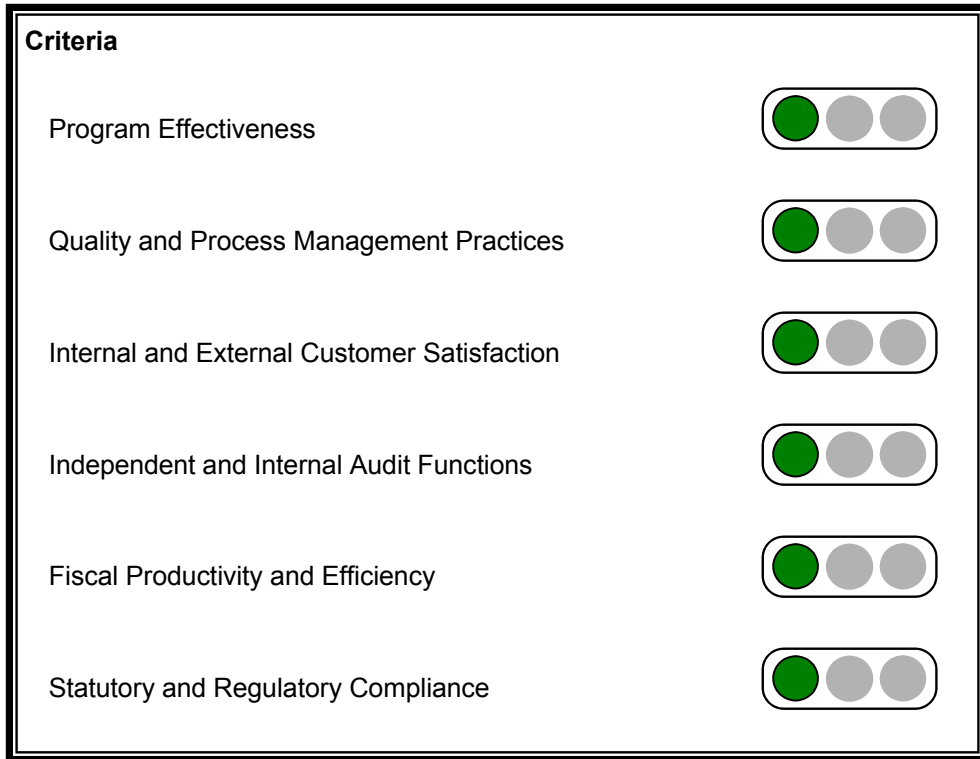


Observations:

- In an effort to centralize educational data collection, the SPI is currently implementing a Comprehensive Data System which will become the central repository and reporting system for the SPI and Washington School Districts. Once complete, the system will track and maintain data from every district and school in order to provide a comprehensive view of the school system via extensive data analysis and reporting tools.
- The SPI formed the Superintendents' Advisory Group to gain feedback from teachers and administrators from Washington's school districts. These meetings allow the SPI to gain input on topics such as compensation/career progression, legislative issues, connections with higher education, and special education.
- The SPI has appointed an internal control officer, but did not provide evidence of an annual risk assessment and a risk-based audit plan.
- The SPI received recent findings from the State Auditor, but provided evidence of timely follow-up.

Agency Scorecard

Retirement Systems, Department of (DRS)

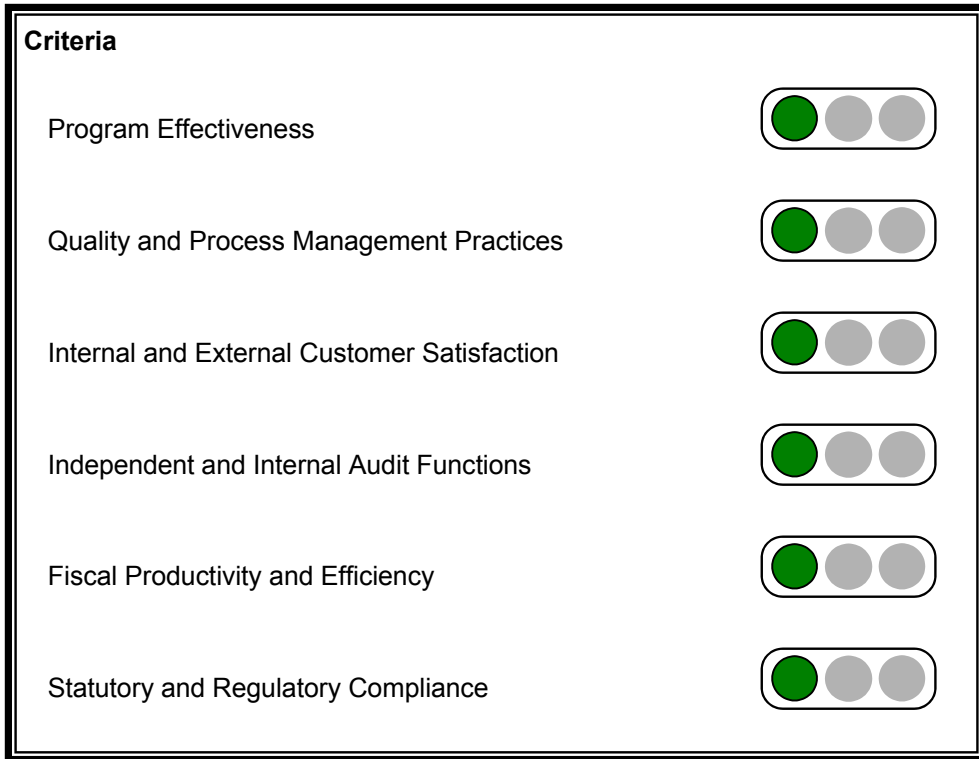


Observations:

- To supplement its strategic plan, the DRS implemented an automated balanced scorecard tracking system allowing immediate access to how well DRS is performing according to the plan. The software also allows easy access to standard and exception reports to highlight issues that warrant special attention.
- In addition to agency-wide measures, the DRS has also implemented balanced scorecards for each of its major business units. The unit scorecards reflect each of their distinct customer needs and operating issues. Unit measures for each of these groups roll up into the agency level scorecard.
- The DRS Comprehensive Annual Financial Report (CAFR) received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. The Certificate is the highest form of recognition in public employee retirement system accounting and financial reporting.
- The DRS Quality Steering Committee establishes the direction and charts the course for the Department's quality efforts. The Committee identifies those activities and processes which will gain the most customer satisfaction and will initiate process improvement efforts in identified areas. The Committee has a formal process for accepting quality enhancing ideas from employees and rating their impact on the balanced scorecard.

Agency Scorecard

Revenue, Department of (DOR)

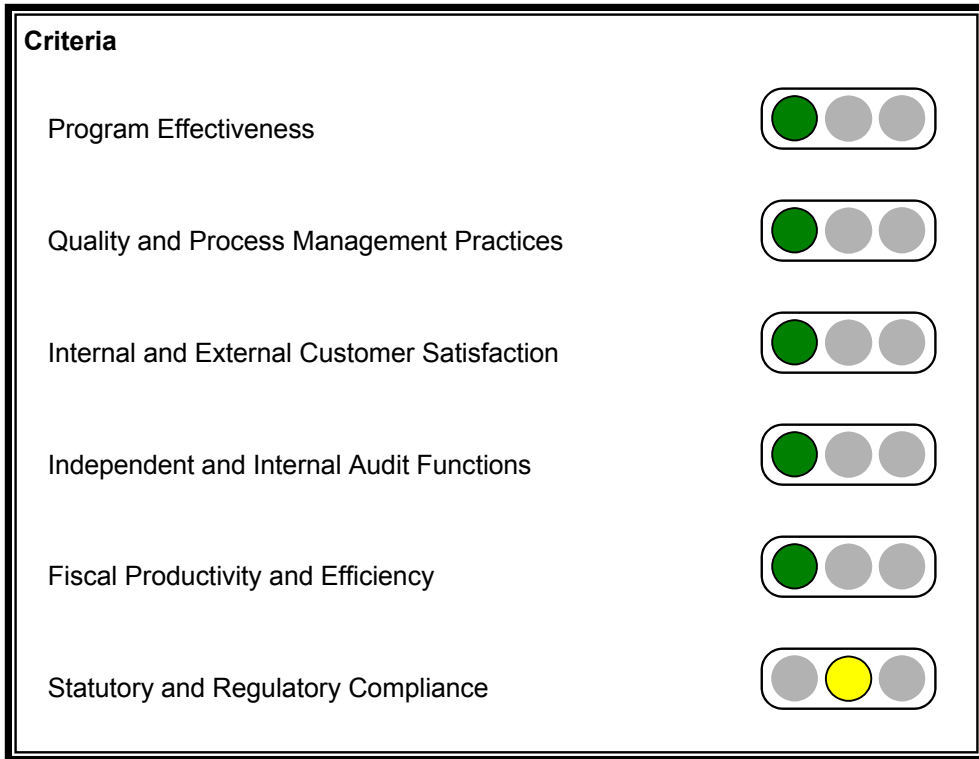


Observations:

- The Department of Revenue (DOR) requires its assistant directors to enter into a performance agreement with the Director. These agreements provide a framework for follow-up on performance data.
- The agency conducts a Baldrige assessment every summer. They produce 11 divisional reports and 1 agency-wide report. The DOR has quality councils that review process improvement suggestions, provide input for the strategy team, conduct surveys, and perform employee recognition.
- The DOR tries to collect every dollar owed to the State. Recognizing that voluntary compliance is the cheapest method of tax collection, they enhance voluntary compliance with tax laws by educating the public about tax rules.

Agency Scorecard

Social and Health Services, Department of (DSHS)

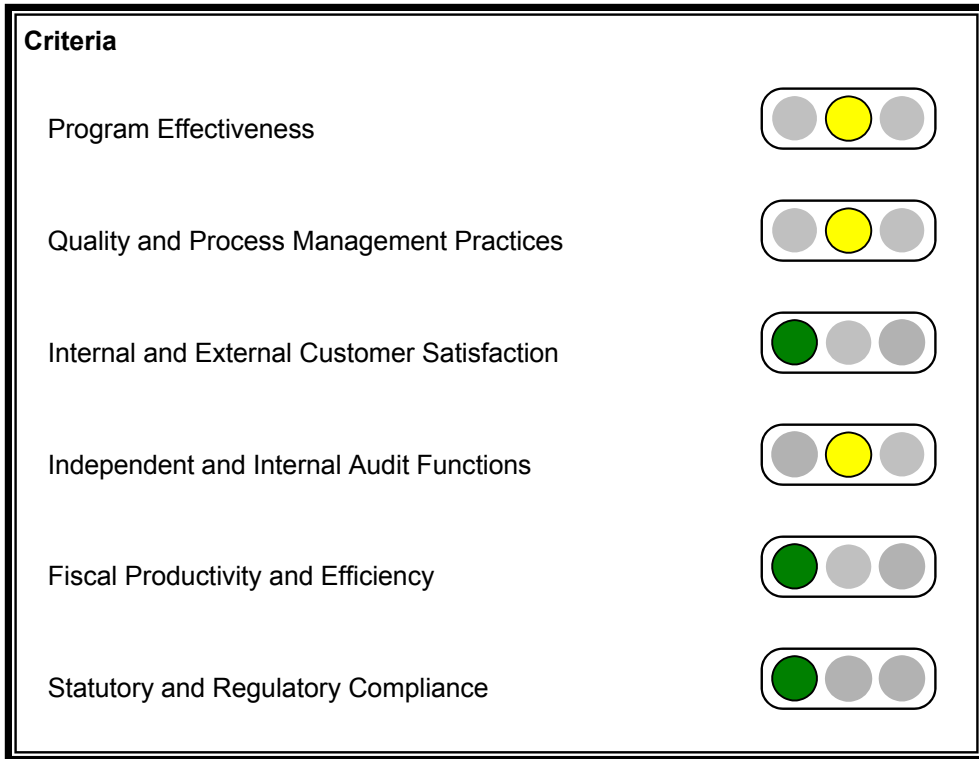


Observations:

- In a similar format to the annual performance agreement established between the Governor and the DSHS Secretary, each of the Assistant Secretaries managing DSHS programs enter into a performance agreement with the DSHS Secretary to ensure program goals are aligned, program level metrics are established, and Assistant Secretaries are accountable for established goals.
- The DSHS Research and Data Analysis Division produces automated “dashboard” reports on the agency intranet providing the most current collection of caseload, client, expenditure, and service data that reflect the quantity and quality of services provided by DSHS. A separate report is published for each major program allowing managers efficient access to performance metrics.
- The DSHS was ranked first in the nation – the only state social service agency to score a perfect 100 points – for using technology to improve delivery of social services, to increase public access to information, and to introduce new services and information. This award resulted from an independent review and ranking by the Center for Digital Government.
- The DSHS commissioned a private consulting firm to conduct a survey of Washington Residents as part of the agency’s strategic planning process. The consultant polled a random sample of 825 Washington residents to determine public awareness of DSHS services, to obtain feedback regarding current services, and understand public perceptions regarding the agency. The study provided the DSHS with information suitable for setting agency strategic goals and priorities.
- The DSHS received recent findings from the State Auditor, but provided evidence of timely follow-up.

Agency Scorecard

Tax Appeals, Washington State Board of (BTA)

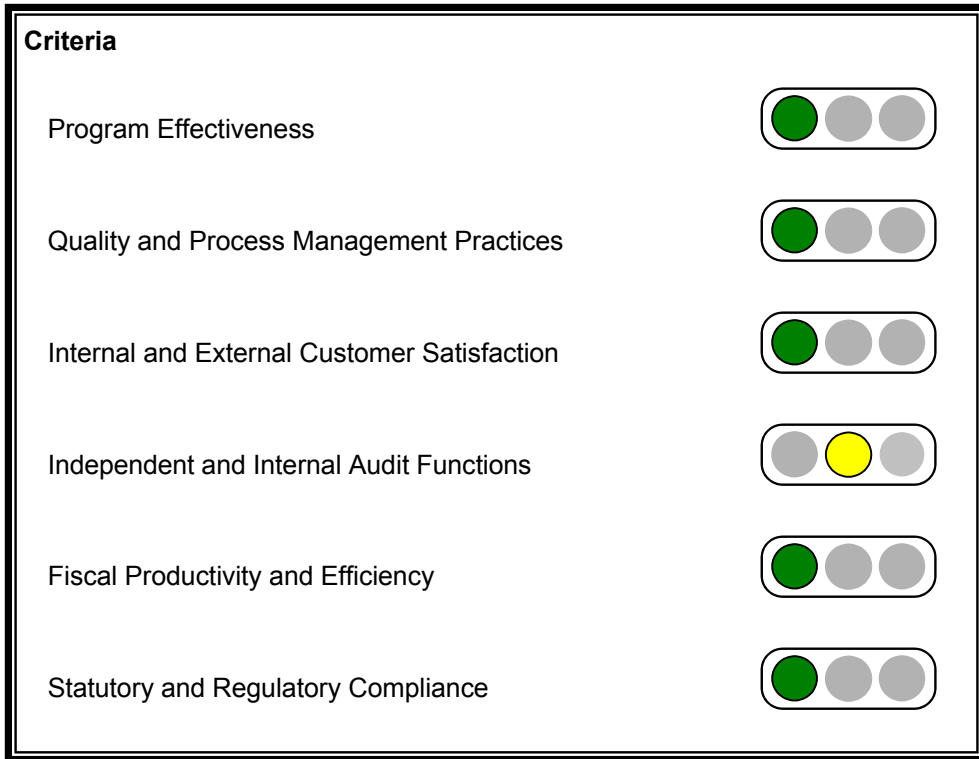


Observations:

- The Board's Executive Director described a case tracking systems the Board designed expressly for their needs. Although the Board provided no evidence, the Director indicated that the system provides the Board with the type of reporting data needed to keep track of how the Board is doing and where it should put the extra effort to meet goals and objectives.
- The Board's Executive Director reviews all completed written appellate reports for precedence from similar cases.
- In order to optimize resources and revenues, the Board pays contractors a flat fee to help hear backlogged cases.
- The Board had not appointed an internal control officer.
- The BTA maintains a customer service survey on its website seeking ways to improve customer service, its website, and the organization's operations. Executive Director indicated that personally reviews survey results and responds via telephone and/or letter to the respondent's concern(s). Again, the Board did not substantiate this claim with any physical evidence.

Agency Scorecard

Transportation Commission (TRC)

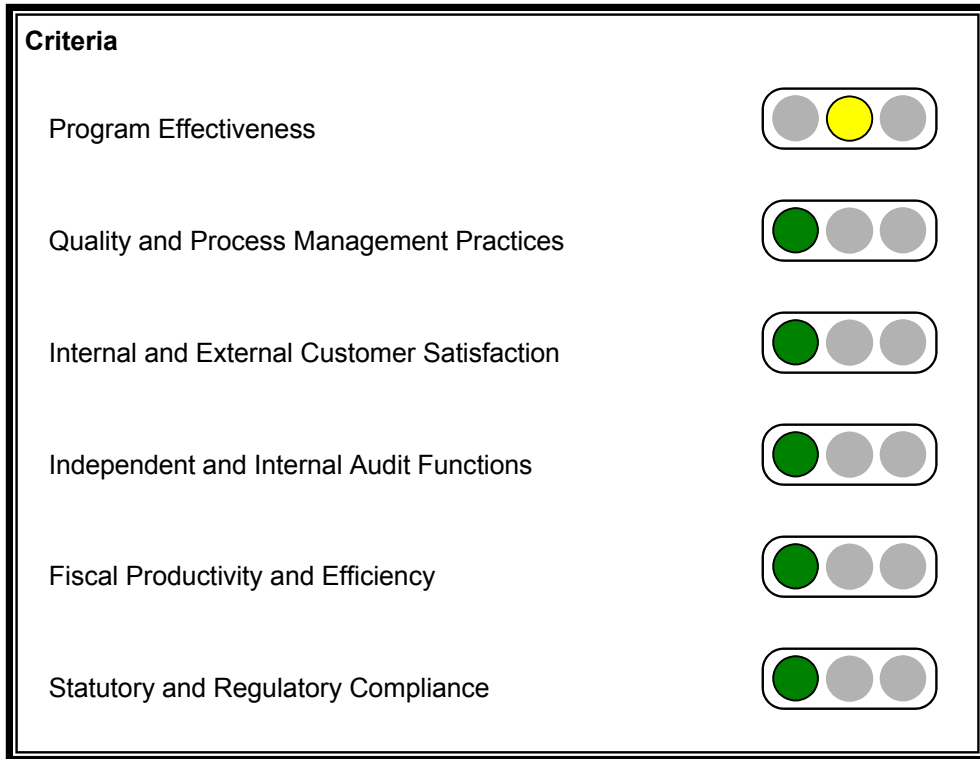


Observations:

- In addition to its strategic planning process, the Commission biannually completes a transportation work plan indicating measurable transportation outcomes/goals for 20 years, 10 years, and short term timeframes including a highway system needs assessment, rail program reviews, and legislative requests.
- The Commission received the 2002 Award for Excellence in HOV Research and Implementation Support from the National Academies Transportation Research Board, in recognition for significant and ongoing contributions to the HOV systems in the Seattle area.
- The Commission has adopted and documented a formal strategy for providing oversight to the Department of Transportation. This strategy includes the purpose of Commission oversight, criteria/standards of review, and processes used.
- The Commission has not appointed an internal control officer. The Commission has not completed an internal risk assessment or audit program.
- The Commission appointed an internal control officer in January 2003. The Commission has an interim internal risk assessment but is lacking an internal audit program.

Agency Scorecard

Transportation Improvement Board (TIB)

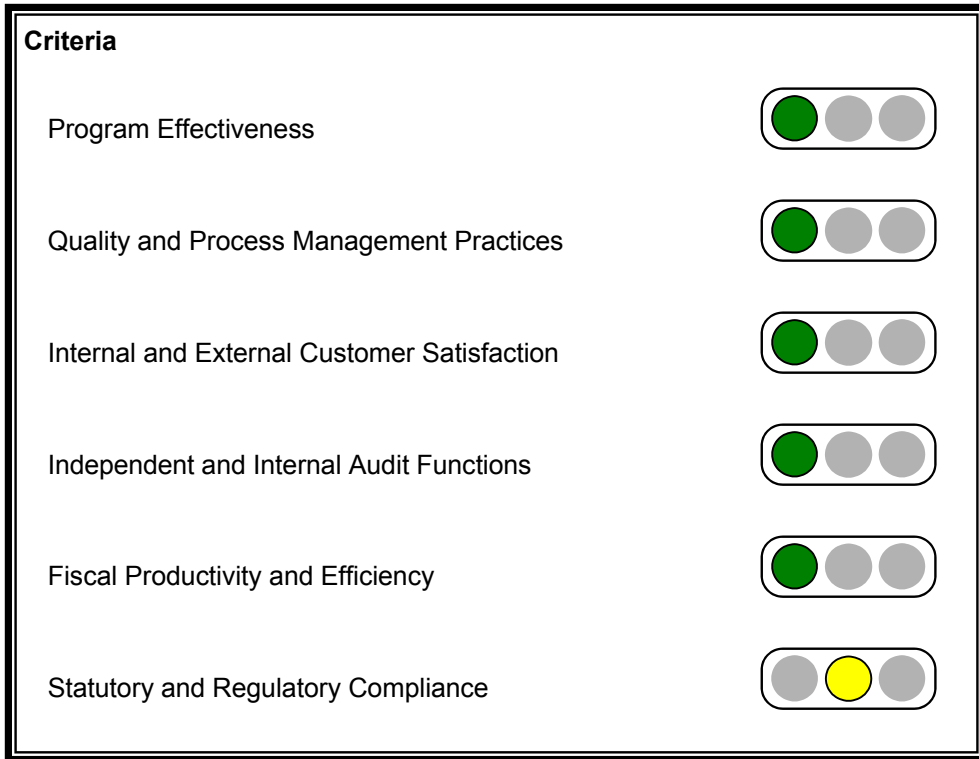


Observations:

- The Transportation Improvement Board (TIB) has a written strategic plan with SWOT analysis, vision/mission statements, goals & objectives and performance measures. The Director discussed the new plan with OFM and obtained their assistance to develop a balanced scorecard in conjunction with the new strategic plan. Over the last year they have developed an entirely new system of performance measurement. They have also developed new fiscal guidelines, which are more closely aligned with the plan.
- Although the TIB has a performance measurement system, they were unable to provide sufficient evidence of having made positive changes based on performance data in recent years.
- At the close of each TIB funded project, the Board conducts closeout inspections and audits of files. This serves as their Quality Assurance function. They certify that the projects were completed in accordance with requirements. They examine final costs and quality of fieldwork.

Agency Scorecard

Transportation, Department of (DOT)

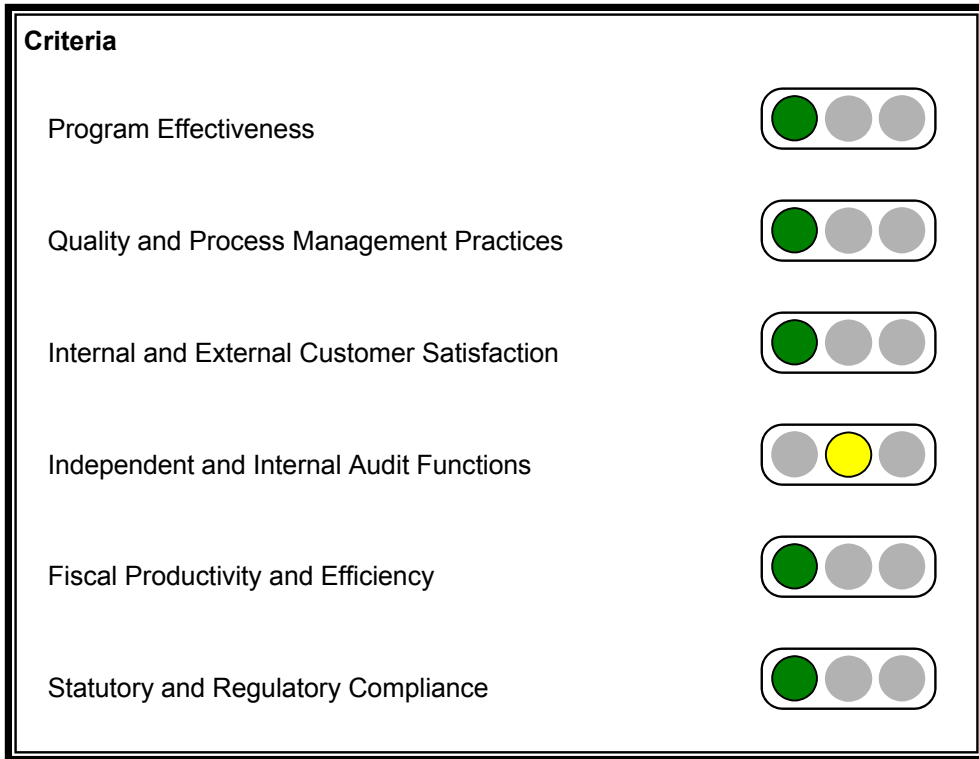


Observations:

- An array of specific performance metrics for all major DOT programs are published quarterly in the agency's *Measures, Markers, and Mileposts: Gray Notebook*. All of the agency's balanced scorecard data and budget measures are consistent with and based on this publication. This report is published to provide the public, legislature, Governor's Office, and transportation stakeholders with a high level of transparency into agency performance.
- The DOT and external consultants conducted a "Cost Estimate Validation Process" (CEVP), in 2002. CEVP provides the best possible information about the likely cost ranges of major transportation projects. With this cost estimating tool, DOT can better forecast the range of costs, risks, and time a project will encounter. Engineering News Record published a national article praising the methodology and accomplishments of the CEVP project in their July 2002 edition.
- To review agency expenditures, Executive Management reviews access monthly financial reports regularly posted on the agency intranet. These automated reports contain financial/budget information on the agency's 23 major programs and sub-programs.
- The DOT routinely seeks funds from federal, local, and non-governmental sources, to optimize revenues. Specifically, the DOT has obtained over \$16million in federal funding and \$1.8 million in local funding.
- The DOT received a recent findings from the State Auditor and JLARC, but provided evidence of timely follow-up.

Agency Scorecard

Treasurer, Office of the State (OST)

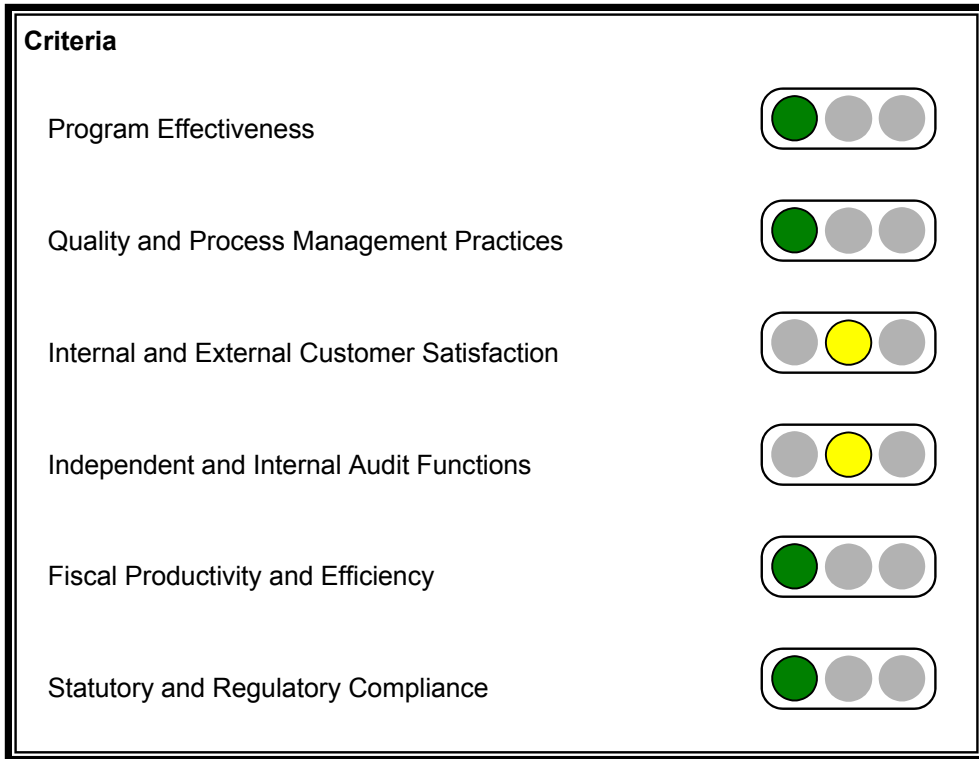


Observations:

- The OST conducts all its bond sales through an electronic bidding process which results in lower bids and a savings to the state. OST has presented this strategy to the Washington Finance Officers Association Annual Conference as a example of a best practice.
- The Government Finance Officers Association of the US and Canada reviews the OST's Local Government Investment Pool on an annual basis. The Association awarded OST a Certificate of Achievement for Excellence in Financial Reporting in conjunction with a recent review.
- Because the OST serves as the "bank" for all state agencies, all receipts and disbursements are transacted through the OST. To reduce transaction costs, OST has helped agencies move from wire transfers, costing several dollars per transaction, to ACH network transfers, costing a few cents per transaction
- Although the OST has appointed an internal control officer and completed an extensive agency-wide risk assessment, the agency has not drafted an internal audit program to address high-risk areas. However, the agency contracts with an private auditor to annually review the agency's Local Government Investment pool.

Agency Scorecard

Utilities and Transportation Commission, (UTC)

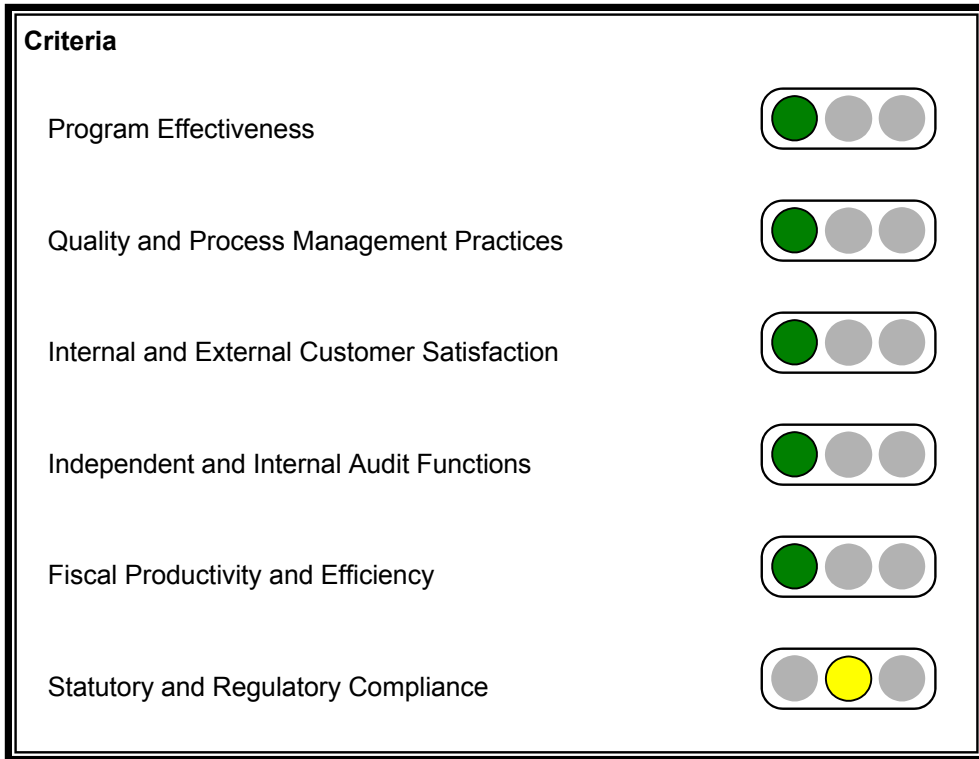


Observations:

- The Utilities and Transportation Commission contracted with a consultant to conduct their Attracting, Satisfying and Keeping Talented People (ASK) committee initiative aimed at learning how to retain their employees. They engaged in a process known as appreciative inquiry. They asked questions in a manner which allowed them to positively identify strengths without assigning blame. It was an extensive process which included interviews with every single staff member in the agency. As a result of this effort, they developed an employee development framework and training plans for employees. In addition, they now have quarterly ASK meetings to improve communication.
- Although the UTC has conducted some customer surveys, they were unable to provide recent evidence of having conducted and acted upon customer service measurement initiatives that targeted a majority of their customers.
- The UTC Finance department performs some internal audit functions, however, they were unable to provide internal control risk assessments for recent fiscal years.
- The UTC is not funded by the General Fund. They collect all their revenue from the companies they regulate. Their goal is to only collect enough to be able to operate. They've received a few grants for pipeline safety and other transportation improvements. Following the pipeline explosion in Washington, they successfully worked with their congressional delegation to seek an additional \$800,000 in aid for Washington.

Agency Scorecard

Veteran's Affairs, Department of (DVA)

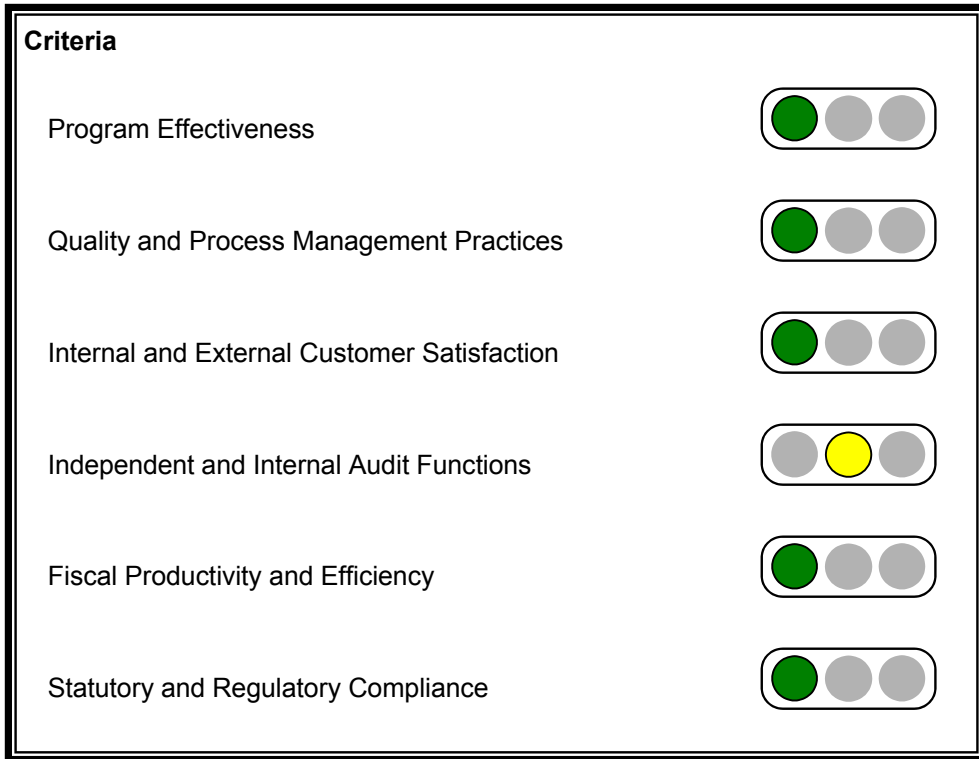


Observations:

- The DVA has established a sound methodology for tracking performance against established goals. Each agency goal is aligned with a balanced score card objective and strategy that includes a measure or milestone required to meet the goal. Each goal also lists specific milestones by due date as well as the agency sponsor responsible for overseeing progress toward stated objectives.
- The DVA received the Hammar Award from the federal Department of Veterans' Affairs for recognition as a national model of collaboration between service providers to provide benefit information and timely responses to retiring military personnel. By redesigning this claims process, veterans can now receive their VA rating decision the same day they leave active duty as opposed to waiting 12 months for a decision.
- The DVA conducts a variety of formal customer surveys for their main customer groups including veterans home residents, veterans home staff, veterans families, and various sub-customer groups such as those veterans afflicted with post traumatic stress disorder.
- The Department received \$30.7 million grant from the federal Department of Veterans' Affairs, and was matched \$16.5 million in state funding to implement the Department's Master Plan. This plan provides largely for building new and/or expanding existing agency facilities.
- The DVA received a recent finding from the State Auditor, but provided evidence of timely follow-up.

Agency Scorecard

Work Force Training and Education Coordinating Board (WFTECB)



Observations:

- The Workforce Board helps coordinate with its partners to receive federal funding as evidenced by a \$744,758 U.S. Department of Labor grant for the Eastern Washington Agricultural Food Processing Partnership to perform such things as closing the skills gap by training the existing workforce and developing education and training programs for the future workforce.
- In an effort to enhance Board meetings, the Workforce Board conducts a customer satisfaction survey of the Board members at the end of each meeting to assess what worked well, what did not, etc. Results from the survey are reported at the next meeting and suggestions are used to improve operations at subsequent meetings.
- The Workforce Board indicated that it did not appoint an internal control officer because they are a relatively small agency (n=25) and it contracts with the OFM's SACS to perform its accounting processes.
- In conjunction with the Washington State Employment Security Department, in 2002 the Workforce Board received \$20,000 in Technical Assistance and Training (TAT) funding from the U.S. Department of Labor to support curricula selection/revision and underwrite statewide training sessions for the "Workforce Strategies 2002 – Workforce Leadership Conference" and Employer Services Training for WorkSource Centers.